

Please note: These transcripts are not individually reviewed and approved for accuracy.

BEFORE THE
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD POLICY,
RESEARCH & TECHNICAL ASSISTANCE COMMITTEE
IN THE MATTER OF THE:)
)
POLICY, RESEARCH AND TECHNICAL)
ASSISTANCE COMMITTEE MEETING)

____)

DATE AND TIME: TUESDAY,
DECEMBER 2, 1997
9:39 A.M.

PLACE: BOARD HEARING
ROOM
8800 CAL
CENTER DRIVE
SACRAMENTO,
CALIFORNIA

REPORTER: MARK
BRICKMAN, CSR, RPR
CERTIFICATE
NO. 5527

BRS FILE NO.: 43390

Please note: These transcripts are not
individually reviewed and approved for
accuracy.

MEMBERS PRESENT

MR. STEVEN R. JONES, CHAIRMAN
MR. DANIEL G. PENNINGTON, MEMBER
MR. PAUL RELIS, MEMBER

STAFF PRESENT

MR. RALPH CHANDLER, CHIEF EXECUTIVE OFFICER MR.
KEITH SMITH, DEPUTY EXECUTIVE OFFICER MS. JEANNINE
BAKULICH, COMMITTEE SECRETARY

Please note: These transcripts are not individually reviewed and approved
for accuracy.

I N D E X

	PAGE NO.
CALL TO ORDER	4
EX PARTE COMMUNICATIONS	5
ITEM 1: CONSIDERATION OF THE ANNUAL RULEMAKING CALENDAR.	5
ITEM 2: CONSIDERATION OF THE EFFECTIVENESS OF THE LOS ANGELES COUNTY RUBBERIZED ASPHALT CONCRETE TECHNOLOGY CENTER (RACTC) AND ALLOCATION OF FUNDING FOR FY 97/98.	17
ITEM 3: STATUS REPORT ON THE PUBLIC UTILITIES COMMISSION DEREGULATION (AB 1890) OF THE ELECTRIC UTILITY INDUSTRY.	61
OPEN DISCUSSION	--
ADJOURNMENT	69

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 SACRAMENTO, CALIFORNIA - TUESDAY, DECEMBER 2, 1997

2 9:39 A.M.

3

4 CHAIRMAN JONES: GOOD MORNING. WELCOME

5 TO THE DECEMBER 2ND MEETING OF POLICY, RESEARCH

6 AND TECHNICAL ASSISTANCE COMMITTEE.

7 JEANNINE, WOULD YOU CALL THE ROLL?

8 THE SECRETARY: MEMBER RELIS?

9 MEMBER RELIS: HERE.

10 THE SECRETARY: MEMBER PENNINGTON?

11 MEMBER PENNINGTON: HERE.

12 CHAIRMAN JONES: HERE.

13 IF ANYBODY WOULD LIKE TO SPEAK ABOUT

14 ANY ITEMS, I HAVE TWO SPEAKER SLIPS ALREADY. THE

15 SPEAKER SLIPS ARE IN THE BACK, SO YOU CAN GRAB

16 THEM, FILL IT OUT AND BRING IT UP HERE AND WE WILL

17 LET YOU SPEAK.

18 DOES ANYBODY HAVE ANY EX-PARTES?

19 MR. RELIS?

20 MEMBER RELIS: NO. MINE ARE ALL IN.

21 CHAIRMAN JONES: CHAIRMAN PENNINGTON?

22 MEMBER PENNINGTON: NO, SIR, I DO NOT.

23 CHAIRMAN JONES: OKAY. I HAVE A COUPLE.

24 I SPOKE BRIEFLY WITH JACK MICHAELS AND LYNN

25 NICHOLSON, AND WE TALKED FOR ABOUT A SECOND ON THE

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 L.A. RAC CENTER. AND THEN JACK AND I TALKED ABOUT
2 OUR FAVORITE SUBJECT, GRASSCYCLING IN SOUTHERN
3 CALIFORNIA, AND I SAID HELLO TO EVAN AND ALMA AND
4 MR. LEARY.

5 ALL RIGHT. OUR FIRST ITEM -- WE'RE
6 NOT TAKING ANY OF THESE OUT OF ORDER, THE QUESTION
7 WAS ASKED, AND WE'RE GOING TO JUST STICK WITH THE
8 AGENDA. THE FIRST ITEM IS THE CONSIDERATION OF
9 THE ANNUAL RULEMAKING CALENDAR.

10 MS. ZWARTS: GOOD MORNING, CHAIRMAN JONES
11 AND BOARD MEMBERS. PATTY ZWARTS WITH THE
12 ADMINISTRATION OFFICE.

13 WHAT YOU HAVE BEFORE YOU, WHICH HAS
14 NEVER GONE BEFORE THE BOARD PREVIOUSLY, IS THE
15 ANNUAL RULEMAKING CALENDAR, PROPOSED REGULATIONS
16 THAT THE BOARD WILL BE CONSIDERING FOR THE NEXT
17 YEAR.

18 THERE ARE 21 REGULATORY PACKAGES ON
19 YOUR LIST. THESE ARE REGS -- REGULATIONS THAT
20 ARE

21 EITHER IN PROGRESS OR WILL START NEXT YEAR. THIS
22 COMES BEFORE YOU AS A RESULT OF THE GOVERNOR'S
23 EXECUTIVE ORDER. IT REQUIRES ALL CITIES TO
SUBMIT

DOCUMENTS TO THE RULEMAKING CALENDAR. IT MAKES
IT

Please note: These transcripts are not individually reviewed and approved for accuracy.

24 VERY CLEAR THAT CITIES CANNOT ADOPT REGULATIONS
25 UNLESS THEY ARE LISTED ON THE REGULATORY

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 RULEMAKING CALENDAR.

2 ALSO ON YOUR PACKET IS A REGULATORY
3 OVERVIEW, WHICH IS A MORE DETAILED SUMMARY OF
EACH
4 OF THE REG PACKAGES FOR YOUR CONSIDERATION.

5 IN ADOPTING THIS ITEM, I SHOULD LET
6 YOU KNOW IT DOESN'T PRECLUDE THE BOARD FROM
7 REMOVING THEM OFF THE -- OFF THE AGENDA AT A
LATER

8 DATE, BUT IT DOES LIMIT THE BOARD'S ABILITY TO
PUT
9 NEW REGULATORY PACKAGES ON THE LIST BEFORE
10 PROCEEDING NEXT YEAR.

11 AS I SAID, ALL STATE AGENCIES WILL
12 BE GOING THROUGH THIS PROCESS. THERE'S A LOT OF
13 ADDITIONAL POLICY GUIDANCE THAT WE NEED FOR THE
14 ADMINISTRATION IN HOW TO INTERPRET THE EXECUTIVE
15 ORDER. WE HAVE NOT RECEIVED THAT, SO TO THE BEST
16 OF OUR ABILITY AND WORKING WITH CAL-EPA, WE HAVE
17 PREPARED THIS ITEM BASED ON THEIR DIRECTION. WE
18 HAD HOPED TO HAVE ADMINISTRATION DIRECTION BEFORE
19 THIS TIME, BUT EXPECT IT SOMETIME NEXT YEAR MORE
20 LIKELY.

21 ALSO AS PART OF THIS ITEM, I SHOULD
22 POINT OUT WE ARE PROPOSING THAT STAFF COME BACK
AT

Please note: These transcripts are not individually reviewed and approved for accuracy.

23 A LATER DATE AS WELL IN THE SPRING TO PRESENT
MORE

24 INFORMATION TO THIS COMMITTEE ABOUT REGULATIONS
25 AND HOW THEY IMPACT THE BOARD.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 AS YOU RECALL, WE PRESENTED AN ITEM
2 BEFORE THIS COMMITTEE ABOUT TWO MONTHS AGO ABOUT
3 THE SCIENTIFIC PEER REVIEW REQUIREMENTS THAT ARE
4 NOW IN LAW AS WELL AS MORE IMPACT ON THE EXECUTIVE
5 ORDER ON ECONOMIC ANALYSIS SUNSET REVIEW.

6 AGAIN, AS I MENTIONED BEFORE, WE
7 HAVEN'T RECEIVED DIRECTION FROM ADMINISTRATION OR
8 OAL ON HOW TO PROCEED ON THAT, SO IN THE ABSENCE
9 OF THAT, WE THOUGHT IT'S BEST TO POSTPONE THAT
10 LARGER CHUNK OF THE ITEM UNTIL THE SPRING
11 WHEN WE MIGHT HAVE RECEIVED THAT DIRECTION, AS
12 WELL AS IT'S APPROPRIATE BECAUSE IT WOULD COINCIDE
13 WITH OUR STRATEGIC PLAN AND FOUR PRIORITIES THAT
14 THE BOARD ADOPTED AND TO SEE HOW THOSE PRIORITIES
15 ALSO FIT INTO THE TWO RULEMAKING PACKAGES.

16 THAT'S BASICALLY THE ITEM THAT'S
17 BEFORE YOU TODAY, AND I'D BE HAPPY TO ANSWER ANY
18 QUESTIONS.

19 CHAIRMAN JONES: ANY QUESTIONS?

20 MEMBER PENNINGTON: MR. CHAIRMAN, YES.
21 CAN WE DO LIKE THE LEGISLATURE TO SAY AND HAVE A
22 SPOT DOES, LIKE IF SOMETHING COMES UP DURING THE
23 YEAR THAT YOU FEEL WE NEED TO INITIATE RULEMAKING,
24 ARE WE STUCK UNTIL NEXT YEAR?

25 MS. ZWARTS: I BELIEVE THERE'S STILL

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 FLEXIBILITY WITHIN THE EXECUTIVE ORDER TO GIVE THE
2 BOARD WHAT IT NEEDS TO GET REGS DONE.

3 IF, FOR EXAMPLE, WE HAVE AN
4 EMERGENCY REG OR AN EMERGENCY SHOULD COME TO PASS,
5 THERE ARE PROVISIONS IN THE EXECUTIVE ORDER THAT
6 ALLOWS US TO GO TO THE SECRETARY OF CAL-EPA AND
7 GET APPROVAL FOR DOING AN EMERGENCY REG, AND I
8 DON'T ANTICIPATE THAT WOULD BE A PROBLEM.

9 ALSO THE RULEMAKING CALENDAR SPEAKS
10 TO FORMAL BEGINNING OF A RULEMAKING PACKAGE. AS
11 YOU KNOW, THE BOARD DOES A LOT OF INFORMAL WORK ON
12 ITS REG PACKAGE A LOT AHEAD OF TIME BEFORE WE
13 START THE FORMAL REVIEW, SO I IMAGINE EVEN IF
14 HYPOTHETICALLY IN THE SPRING WE FELT THAT WE
15 NEEDED A NEW REG PACKAGE, WE PROBABLY WOULD MOST
16 LIKELY PROCEED WITH THE INFORMAL PROCESS FIRST,
17 AND THEN WOULD HAVE TO START THE FORMAL PROCESS
18 THE FOLLOWING YEAR.

19 MEMBER PENNINGTON: OKAY.

20 CHAIRMAN JONES: I HAVE A COUPLE OF JUST
21 REAL BRIEF COMMENTS, AND ONE OF THEM IS ON THE
22 BIOSOLIDS REGULATIONS.

23 I UNDERSTAND THAT THE INFORMAL
24 PROCESS HAS STARTED. THE FORMAL NOTICE IS
25 NOVEMBER OF 1998, AND I THINK IN LIGHT OF THE

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 RSU -- AND FOR THOSE IN THE AUDIENCE WHO DON'T
2 KNOW WHAT'S GOING ON THERE, THE REGULATORY
3 STRUCTURE UPDATE WITH DTSC THAT THEY'RE PROPOSING,
4 A LOT OF THE ISSUES THAT THEY'RE DEALING WITH ARE
5 MANAGEMENT ISSUES THAT DEAL WITH ASH, BIOSOLIDS,
6 AND THE ASH REGULATIONS IN PLACE, BUT THEY'RE
7 GOING TO DEAL WITH BIOSOLIDS, THEY'RE GOING TO
8 DEAL WITH SOILS. AND I'D LIKE TO KNOW WHAT THE
9 FLEXIBILITY IS ON THIS PACKAGE IN PARTICULAR
10 BECAUSE I THINK WE HAVE TO BE ABLE TO REACT
11 QUICKLY TO COME UP WITH WHAT COULD BE MANAGEMENT
12 STANDARDS ON WHAT IS NOW A VERY VAGUE UNDER-
13 STANDING WITH -- WITH THE RSU PROCESS.

14 EVERYTHING IS IN A STATE OF FLUX,
15 AND WHENEVER YOU ASK A QUESTION, YOU DON'T REALLY
16 GET AN ANSWER; YOU JUST GET A POSTPONEMENT AND A
17 PROMISE THAT TRUST ME, YOU KNOW. WE WILL --

WE'LL

18 LET YOU KNOW, AND -- BUT I THINK THAT IT'S
19 CRITICAL THAT THERE'S FLEXIBILITY, ESPECIALLY ON
20 THIS ITEM, AND I'M JUST WONDERING WHAT THAT
21 FLEXIBILITY -- HOW THAT PROCESS WOULD WORK IF WE
22 HAD TO ESCALATE OUR EFFORTS ON THIS.

23 MS. ZWARTS: YES. CHAIRMAN JONES, I
KNOW

Please note: These transcripts are not individually reviewed and approved for accuracy.

24 THAT SOME ACTIVITIES AND WORKSHOPS HAVE BEGUN ON
25 THE BIOSOLID, AND BOB HOLMES IS HERE TODAY AND

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 COULD ANSWER SOME QUESTIONS ON HOW THAT
2 FLEXIBILITY COULD WORK WITHIN THE EXISTING
3 SCHEDULE.

4 MR. HOLMES: YES. WE HAVE STARTED THE
5 INFORMAL PROCESS. THE SCHEDULE THAT -- THAT THE
6 BOARD APPROVED EARLIER THIS YEAR HAD SOME SPECIFIC
7 TASKS INVOLVED IN THAT SCHEDULE.

8 WE CAN SQUEEZE SOME EFFICIENCIES OUT
9 OF THAT, BUT PRETTY MUCH WE'RE -- WE'RE TIED TO
10 THAT SCHEDULE, BUT WE UNDERSTAND YOUR CONCERN AND
11 WE CAN DO WHAT WE CAN TO SPEED THAT PROCESS UP.

12 CHAIRMAN JONES: OKAY. NOW, I KNOW WHAT
13 WE'RE DOING HERE IS BASICALLY APPROVING A VERY
14 LARGE BLANKET TO MAKE SURE THAT NOTHING GETS
15 FILTERED THROUGH, SO I DON'T HAVE A PROBLEM WITH
16 THAT.

17 I HAVE SOME ISSUES ON SOME OF THESE
18 THINGS AS FAR AS TIMING AND AS FAR AS THE SCOPE,
19 YOU KNOW, BUT I THINK THERE'S A TIME AND PLACE TO
20 DEAL WITH THOSE ISSUES.

21 MR. CHANDLER?

22 MR. CHANDLER: PATTY, I THINK IT WOULD
23 BE
24 USEFUL, JUST AS A CONSTANT REMINDER, TO POINT OUT
25 THE DISCUSSION WE HAD THE OTHER EVENING AS IT

Please note: These transcripts are not individually reviewed and approved for accuracy.

25 RELATES TO THE C&D RATES AND THE BUDGET LANGUAGE

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 THAT WAS PASSED LAST YEAR RELATIVE TO SOME FISCAL
2 IMPACTS TO THIS ORGANIZATION, AND I JUST WANT TO
3 MAKE SURE THE BOARD MEMBERS ARE AWARE OF THAT.

4 I THINK WE HAVE TO HAVE THE REGS TO
5 THE FORMAL LEGISLATURE BY APRIL, AND I KNOW WE NOW
6 HAVE A REQUIREMENT THAT ANYTHING SUBMITTED TO THE
7 LEGISLATURE GO THROUGH SECRETARY ROONEY'S OFFICE.
8 SOMETIMES THAT IS -- THAT ADDS ANOTHER 30 DAYS TO
9 THE PROCESS.

10 I WANT THE BOARD FULLY AWARE. WE'RE
11 LOOKING AT HEARINGS IN MAY, ADOPTIONS IN JUNE. WE
12 HAVE A QUARTER-MILLION-DOLLAR DEAL ON OUR BUDGET
13 IF WE DON'T SUBMIT THOSE RATES.

14 MAYBE THEY'RE PROPOSED OR DRAFTED,
15 ULTIMATELY THEY MAY END UP IN THE SUPPLEMENTAL
16 BUDGET, BUT WHY DON'T YOU ELABORATE ON THAT A
17 LITTLE BIT?

18 MS. ZWARTS: YES. THIS WAS ON THE BUDGET
19 FOR LAST YEAR. SUPPLEMENTAL LANGUAGE WAS ADDED TO
20 THE BUDGET THAT REDUCED THE BOARD'S EXPENDITURE
21 AUTHORITY BY A QUARTER OF A MILLION DOLLARS, BUT
22 WOULD GIVE IT BACK TO THE BOARD IF THE BOARD DID
23 TWO THINGS BY APRIL 1ST; THAT IS, ONE, PROVIDE A
24 PROGRESS REPORT TO THE LEGISLATURE ON HOW IT WAS
25 DOING ADOPTING CONSTRUCTION DEMOLITION PACKAGES;

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 AND, TWO, THAT THEY REQUESTED THAT WE GIVE THEM
2 PROPOSED REGULATIONS AT THAT TIME, AS WELL.

3 THAT IS A BIT INCONSISTENT WITH THE
4 SCHEDULE THAT THE BOARD ADOPTED, MEANING IT'S A
5 BIT SOONER. WE HAD HOPED TO DO, YOU KNOW, THE
6 REGS AT LEAST AT A LITTLE LATER DATE THAN THAT, SO
7 WE WILL BE A BIT CRUNCHED ON THAT, BUT THEY DON'T
8 DEFINE EXACTLY WHAT PROPOSED REGS COULD BE. I
9 THINK THAT WOULD BE AN INFORMAL SET OF REGS FOR
10 THE FIRST DRAFT. I THINK THAT THEY LIKELY WOULD
11 BE HAPPY TO RECEIVE THAT, AS WELL.

12 WE'RE ACTUALLY HAVING A MEETING WITH
13 THE SECRETARY'S OFFICE AFTER THIS COMMITTEE TO
14 DISCUSS THAT.

15 AS RALPH INDICATED, AS WELL,
16 SECRETARY ROONEY HAS A NEW POLICY NOW. HE WANTS
17 TO SIGN OFF ON ALL THE REPORTS TO THE LEGISLATURE.
18 THAT WOULD INCLUDE THE PROGRESS REPORT REQUESTED
19 UNDER THE BUDGET ACT, AND THAT COULD AND WOULD ADD
20 SOME MORE TIME AND CRUNCH US EVEN FURTHER ON THAT
21 REGULATORY PACKAGE TO GET IT DONE SOONER.

22 I DO KNOW STAFF IS WORKING HARD ON
23 THIS, TRYING TO PUT TOGETHER WORKSHOPS ON C&D
24 WASTES ALREADY.

25 MEMBER RELIS: CLARIFICATION THERE,

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 250,000 IS BEING RESERVED, WE'LL CALL IT, SUBJECT
2 TO RECEIVING THE REG PACKAGE, NOT APPROVING THE
3 REG PACKAGE, CORRECT?

4 MS. ZWARTS: CORRECT. RECEIVING IT, AND
5 AGAIN, THE MONEY DOESN'T GO ANYWHERE. THE
6 EXPENDITURE AUTHORITY IS REDUCED. YOU CAN'T SPEND
7 IT; BUT IF WE PROVIDED THE TWO DOCUMENTS, THE
8 REPORT AND THE PROPOSED REGS, ON TIME, ACCORDING
9 TO THE BUDGET, THE MONEY WOULD BE RELEASED FOR US
10 TO SPEND.

11 MEMBER RELIS: SO EVEN THOUGH WE MAY
12 STILL BE WELL IN THE REGULATORY PROCESS, AS WE
13 KNOW, IT DOESN'T WRAP UP ALL THAT EASY, AND I
14 WOULDN'T EXPECT THE C&D REGS WOULD TO BE A PIECE
15 OF CAKE.

16 MS. ZWARTS: IT'S A RATHER COMPLICATED
17 SET OF REGULATIONS AND MUCH FURTHER TO GO ON
18 WORKING THOSE OUT WITH THE VARIOUS INTERESTED
19 PARTIES, BUT IT'S AN IMPORTANT ISSUE AND THEY
20 SHARE A PARTICULAR INTEREST IN IT AND, THAT'S WHY
21 THEY REQUESTED THAT THE LEGISLATURE HAVE AN
22 ABILITY TO SEE SOME PROPOSED REGS AT AN EARLY
23 DATE.

24 CHAIRMAN JONES: WHAT'S THE LIKELIHOOD
25 THAT WE'RE GOING TO BE ABLE TO LIVE WITH THAT OR

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 LOSE THE QUARTER OF A MILLION?

2 MS. ZWARTS: WELL, I THINK STAFF, I'M
3 SURE, ARE TRYING THEIR DARNDDEST. NO ONE WANTS TO
4 LOSE OUR AUTHORITY FOR A QUARTER OF A MILLION
5 DOLLARS, AND THE QUESTION IS HOW PROPOSED LOOKING
6 SHOULD THE PROPOSED REGS BE?

7 AND I GUESS WE'LL HAVE THAT
8 CONVERSATION THIS AFTERNOON, AND WE'LL LET THEM
9 KNOW ABOUT THAT, ABOUT OUR DILEMMA.

10 CHAIRMAN JONES: OKAY. ANY OTHER
11 QUESTIONS?

12 MEMBER PENNINGTON: MR. CHAIRMAN, I'LL
13 MOVE ADOPTION OF --

14 CHAIRMAN JONES: WAIT A MINUTE. I'M
15 SORRY. I NEGLECTED TO CALL ONE OF THE SPEAKERS.
16 I APOLOGIZE.

17 MR. -- I HAVE ONE SPEAKER SLIP, MR.
18 LEARY FROM BFI. SORRY ABOUT THAT.

19 MR. LEARY: GOOD MORNING, MR. CHAIRMAN
20 AND MEMBERS OF THE COMMITTEE. MY NAME IS MARK
21 LEARY FROM BROWNING-FERRIS INDUSTRIES. IS
22 THIS
23 WORKING?

23 I HAVE ONE COMMENT THAT KIND OF
24 PIGGYBACKS ON CHAIRMAN PENNINGTON'S IDEA, AND
THE

Please note: These transcripts are not individually reviewed and approved for accuracy.

25 THOUGHT IS THAT WE KNOW THAT THE U.S. EPA IS
ABOUT

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 TO PROMULGATE THE FEDERAL REGULATIONS FOR THE
2 PLANNING ASSURANCES BY CORPORATE GUARANTEE, BY
3 CORPORATE FINANCIAL TEST.

4 WE'RE ANTICIPATING THOSE REGULATIONS
5 TO BE RELEASED BY U.S. EPA SOMETIME THIS WINTER.
6 IN FACT, THEY'VE BEEN PROMISED ANY DAY NOW BEFORE
7 THIS PERIOD OF TIME.

8 WE'RE WONDERING ABOUT THE
9 PROBABILITY OF A PLACEHOLDER HERE FOR THAT PACKAGE
10 TO COME TO FRUITION. OBVIOUSLY IT'S SPURRED GREAT
11 INTEREST TO MY COMPANY AND OTHER SOLID WASTE
12 COMPANIES. THE EXECUTIVE ORDER APPEARS TO ALLOW
13 SOMETHING -- TO BE AN EXCEPTION TO THE RULEMAKING
14 CALENDAR PURSUANT TO STATE LAW OR FEDERAL LAW.

15 DOES THAT ALSO INCLUDE FEDERAL
16 REGULATIONS WOULD BE MY COMMENT; AND IF THAT'S
17 OKAY, THEN THERE PROBABLY IS NOT A NEED FOR A
18 PLACEHOLDER, BUT IF NOT, I'D LIKE TO SEE IT.

I'D

19 LIKE TO SEE IT ADDED, ALTHOUGH THERE IS --

20 MS. ZWARTS: IF I COULD ASSIST WITH
THAT.

21 FEDERAL LAW WOULD INCLUDE FEDERAL REGULATIONS;

SO

22 IF FEDERAL REGS WERE RELEASED, WE COULD PREPARE

A

Please note: These transcripts are not individually reviewed and approved for accuracy.

23 RATE PACKAGE IF NEEDED AND BE WITHIN THE LIMITS
OF
24 THE EXECUTIVE ORDER.
25 THERE'S ALSO NOTHING -- AS YOU

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 RECALL -- AS YOU CAN SEE, A LOT OF THESE REG
2 PACKAGES ARE JUST VERY SIMPLE DESCRIPTIONS. IF
3 THERE'S A SIMILAR RATE PACKAGE, WE COULDN'T PUT
4 THAT INTO THE EXISTING REGULATORY PACKAGE, AS
5 WELL.

6 MR. CHANDLER: SO THAT WILL GO TO
AGENCY

7 NEXT?

8 MS. ZWARTS: THIS WILL GO TO AGENCY,
OAL,

9 AND EVENTUALLY THE GOVERNOR'S OFFICE.

10 MR. CHANDLER: THEN WHY DON'T WE
INCLUDE

11 IN OUR TRANSMITTAL OUR ACKNOWLEDGEMENT THAT IN
12 TRANSMITTING THIS, WE ALSO RECOGNIZE IT WOULD
MEET

13 THE FEDERAL STATUTES AND FEDERAL REGULATIONS AND
14 WE RESERVE THE RIGHT TO ACT ON THOSE AS THE
BOARD

15 DEEMS APPROPRIATE, SO WE'LL REINFORCE OUR
16 UNDERSTANDING OF HOW THAT WORKS.

17 MS. ZWARTS: YES. WE CERTAINLY COULD
PUT

18 THAT IN THE COVER LETTER, THAT THE AGENCY IS
19 TRANSMITTING THIS.

20 MR. LEARY: TERRIFIC. THANK YOU.

Please note: These transcripts are not individually reviewed and approved for accuracy.

21 MEMBER PENNINGTON: I 'M PREPARED TO
MAKE

22 A MOTION.

23 CHAIRMAN JONES: ALL RIGHT, MR. CHAIR.

24 MEMBER PENNINGTON: I 'LL MOVE ADOPTION
OF
25 THE RULEMAKING CALENDAR TO 1998 REGULATORY

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 OVERVIEW AND RULEMAKING CALENDAR REG.

2 MEMBER RELIS: SECOND.

3 CHAIRMAN JONES: WE HAVE A MOTION AND
4 SECOND.

5 JEANNINE, WOULD YOU CALL THE ROLL?

6 THE SECRETARY: BOARD MEMBER RELIS?

7 MEMBER RELIS: AYE.

8 THE SECRETARY: MEMBER PENNINGTON?

9 MEMBER PENNINGTON: AYE.

10 THE SECRETARY: CHAIRMAN JONES?

11 CHAIRMAN JONES: AYE. YES.

12 ALL RIGHT. THANK YOU.

13 AGENDA ITEM NO. 2, CONSIDERATION OF
14 THE EFFECTIVENESS OF THE LOS ANGELES COUNTY
15 RUBBERIZED ASPHALT CONCRETE TECHNOLOGY CENTER AND
16 ALLOCATION OF FUNDING FOR THE '97-'98.

17 MS. GILDART: GOOD MORNING. MARTHA
18 GILDART WITH THE WASTE PREVENTION AND MARKET
19 DEVELOPMENT DIVISION. I'M GOING TO BE TALKING
20 ABOUT WHAT HAPPENED DOWN IN LOS ANGELES WITH
21 RUBBERIZED ASPHALT.

22 AS YOU REMEMBER LAST YEAR, I THINK
23 IT WAS IN DECEMBER, IN FACT, THE BOARD ALLOCATED
24 \$500,000 FROM THE '96-'97 FISCAL YEAR TIRE FUND
25 FOR A CONTRACT WITH LOS ANGELES COUNTY TO PROMOTE

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 THE USE OF RUBBERIZED ASPHALT CONCRETE BY THE
2 LOCAL GOVERNMENTS.

3 THE REASON WE ARE HERE TODAY IS TO
4 LOOK AT THE PROGRESS MADE UNDER THAT CONTRACT AND
5 WHETHER OR NOT AN ADDITIONAL \$500,000 THAT'S BEEN
6 ALLOCATED FROM THE '97-'98 FISCAL YEAR TIRE FUND
7 SHOULD BE PUT TO A SIMILAR EFFORT.

8 I'M GOING TO GIVE A VERY BRIEF
9 BACKGROUND ON HOW THE CONTRACT WAS DEVELOPED AND
10 WHAT WAS INTENDED TO ACHIEVE AND THEN LYNN
11 NICHOLSON WITH LOS ANGELES COUNTY WILL BE GIVING
12 YOU INFORMATION ON WHAT THEY HAVE DONE, AND THEN
13 AFTER HE'S MADE HIS PRESENTATION, HE AND THE STAFF
14 AND I WILL BE AVAILABLE FOR ANY QUESTIONS FROM THE
15 MEMBERS.

16 THE CONTRACT WAS INTENDED TO PROMOTE
17 THE USE OF RUBBERIZED ASPHALT CONCRETE. WE WERE
18 HOPING TO SEE AN INCREASE IN USE. THE FEELING WAS
19 THAT A LOCAL GOVERNMENT ENTITY WORKING WITH OTHER
20 LOCAL GOVERNMENTS WOULD HAVE BETTER SUCCESS IN
21 COMMUNICATING THE USEFULNESS OF THIS MATERIAL.

22 THE TECHNICAL MATERIAL WAS TO
23 PROVIDE SERVICES TO LOCAL AGENCIES ON THE
24 TECHNOLOGY. THEY WERE TO MAKE AVAILABLE THEIR
25 LABORATORY EQUIPMENT AND PROCESSES. THEY

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 WERE TO ESTABLISH AN OUTREACH, TRAINING AND
2 EDUCATIONAL PROGRAM TO TRY AND PROMOTE THE USE
3 THROUGHOUT THE STATE AND SET UP AN INTERNET WEB
4 SITE TO GET THE WORD OUT.

5 THE BOARD HAD ALSO RETAINED APPROVAL
6 RIGHT OF ACTUAL PROJECTS IF THEY ARE APPROACHED BY
7 LOCAL GOVERNMENT, AND THERE'S, YOU KNOW, MORE THAN
8 ONE REQUEST FOR THEIR ASSISTANCE, AND THE BOARD
9 HAS A MECHANISM TO WORK WITH THE COUNTY ON THE
10 SELECTION OF WHICH ONES WOULD GO WHEN.

11 TO EVALUATE THE SUCCESS OF THE
12 PROGRAM, LOS ANGELES COUNTY HAS BEEN SUBMITTING
13 QUARTERLY STATUS REPORTS, AND THERE'S ALSO A
14 PROCESS UNDER DEVELOPMENT FOR JURISDICTIONS AS TO
15 THE SURVEY FORM, CUSTOMER SATISFACTION SURVEY FORM
16 THAT WOULD COME BACK TO THE BOARD AFTER THEY
17 RECEIVED ASSISTANCE FROM THE COUNTY.

18 THE TIMELINE ON THE CONTRACT WAS
19 SUCH THAT EVEN THOUGH IT WAS FISCAL YEAR '97-'98
20 DOLLARS, THE ACTUAL CONTRACT THAT WE DEVELOPED WAS
21 NOT SENT DOWN TO LOOK UNTIL APRIL, AND BY THE TIME
22 THE COUNTY BOARD OF SUPERVISORS VOTED ON IT, IT
23 WAS MID-JUNE, CAME BACK HERE FOR EXECUTION BY
THE

24 DEPARTMENT OF GENERAL SERVICES ON JULY 9TH.

25 SO THE COUNTY HAS BEEN WORKING ON

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 THIS CONTRACT SINCE JULY, AND I THINK IF LYNN
2 NICHOLSON IS READY, HE CAN GIVE YOU THE
3 DESCRIPTION OF WHAT THEY'VE DONE TO DATE.

4 LYNN.

5 CHAIRMAN JONES: ALL RIGHT. MR.
6 NICHOLSON.

7 MR. NICHOLSON: HI. IF I MIGHT, I'VE
GOT
8 BROCHURES AND WORKBOOKS THAT I NEED TO PASS OUT
AS
9 WE'RE TALKING.

10 THANK YOU FOR THIS OPPORTUNITY.
I'M

11 THE HEAD OF THE RUBBERIZED ASPHALT CONCRETE
12 TECHNOLOGY CENTER, WHICH IS A MOUTHFUL WHEN
YOU'RE

13 TRYING TO ANSWER THE PHONE, BUT WE COULDN'T
THINK
14 OF ANY SHORTER NAME.

15 MARTHA HAS BASICALLY GONE OVER THE
16 BASIS FOR THE CONTRACT WITH THE BOARD AND I
THINK

17 IT'S A GOOD IDEA. SHE DIDN'T MENTION, I THINK,
AS

18 YOU PROBABLY KNOW, I RETIRED FROM REGULAR COUNTY

Please note: These transcripts are not individually reviewed and approved for accuracy.

19 SERVICE IN MARCH AND WAS BROUGHT ON AS A COUNTY
20 EMPLOYEE ON A RETIREE BASIS SPECIFICALLY TO DO
21 THIS PROGRAM, AND THAT'S MY ONLY JOB AND I GOT
THE
22 SUPPORT OF THE DEPARTMENT WHEN I NEED IT AND
IT'S
23 WORKING OUT, I THINK, VERY WELL.
24 IF YOU LOOK IN THE PACKAGE THAT
25 CAREN IS PACKING OUT OR PASSING OUT, I'VE
INCLUDED

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 WHAT I'M GOING TO TALK ABOUT IN THE GREEN PAGES.
2 THE WHITE PAGES ARE PRESENTATION WORKBOOKS THAT
3 I'VE PUT TOGETHER IN TALKING WITH THE CITIES AND
4 THE COUNTIES ABOUT RUBBERIZED ASPHALT CONCRETE,
5 SOME OF THE QUESTIONS THAT HAS COME UP AT OUR
6 WORKSHOPS AND AT OUR BOOTH DISPLAYS.

7 THE PICTURE THAT SHE'S PASSED OUT IS
8 A PICTURE OF OUR BOOTH DISPLAYS AT THE COUNTY --
9 CALIFORNIA STATE ASSOCIATION OF COUNTIES'
10 CONVENTION A COUPLE OF WEEKS AGO IN BURLINGAME.

11 WE ALSO DID THE SAME DISPLAY AT ITS
12 SYMPOSIUM IN ANAHEIM AND THE LEAGUE OF CITIES
13 CONFERENCE IN SAN FRANCISCO IN OCTOBER.

14 WE RECEIVED AN AWFUL LOT OF INTEREST
15 FROM THE PEOPLE THAT VISITED THE BOOTH, THE CITY
16 COUNCILMEMBERS, COUNTY SUPERVISORS, ENGINEERS,
17 PLANNERS, EVEN ATTORNEYS IN OUR PROCESS OF
18 PROMOTING THE USE OF RUBBERIZED ASPHALT.

19 WE'RE GOING TO DO THIS BY, AS

MARTHA

20 SAID, PROVIDING REGIONAL WORKSHOPS AT THE
21 LOCATION. WE DID ONE IN ALAMEDA COUNTY.

GENERAL

22 SERVICES AUTHORITY DID ONE FOR THE WASTE
23 MANAGEMENT BOARD, ALAMEDA COUNTY, AND I'VE DONE

Please note: These transcripts are not individually reviewed and approved for accuracy.

24 ONE ON THE PENINSULA CITIES, PALOS VERDES
25 PENINSULA CITIES.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 WE'RE IN THE PROCESS OF SETTING UP
2 MINI WORKSHOPS IN SOUTHERN CALIFORNIA AND
3 BAKERSFIELD/FRESNO AREA AND, WE'RE CONSIDERING
4 REGIONAL WORKSHOPS IN NORTHERN CALIFORNIA, IN
5 SOUTHERN CALIFORNIA, AND CENTRAL CALIFORNIA.

6 THE REGIONAL WORKSHOPS WOULD BE A
7 MUCH MORE FORMAL THING. THE MINI WORKSHOPS WILL
8 BE AN HOUR, HOUR AND A HALF PRESENTATION THAT
9 BASICALLY GIVES ALL OF THE INFORMATION AND
10 HOPEFULLY WILL GET EVERYBODY EXCITED ABOUT USING
11 RUBBERIZED ASPHALT.

12 WE WILL GIVE THEM TECHNICAL
13 CONSULTATIONS. WE'LL PROVIDE COPIES OF CALTRANS
14 SPECS, L.A. COUNTY GREEN BOOK SPECS, WHATEVER
15 PROBLEMS THEY HAVE, WHATEVER THE QUESTIONS
16 THEY HAVE IN THE USE OF RUBBERIZED ASPHALT WE'LL
17 PROVIDE ASSISTANCE ON THAT.

18 WE ENCOURAGE THE CITIES TO THINK
19 ABOUT USING RUBBERIZED ASPHALT WHENEVER THEY HAVE
20 A RESURFACING PROJECT. WE'RE NOT ENCOURAGING THE
21 CITIES TO THINK ABOUT RUBBERIZED ASPHALT ON FULL
22 RECONSTRUCTION PROJECTS BECAUSE IT'S REALLY NOT
23 COST-EFFECTIVE IN THAT WAY. IT'S BETTER ON THE
24 RESURFACING.

25 IF YOU LOOK IN THE WORKBOOK LATER
ON

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 ON PAGE 16 THROUGH 20, I'VE SHOWN EXAMPLES ON HOW
2 MUCH MONEY CAN BE SAVED USING RUBBERIZED ASPHALT,
3 AND IT CAN AMOUNT UP TO \$30,000 PER 12-FOOT LANE
4 MILE OF RESURFACING. SO THERE'S REALLY A COST
5 INCENTIVE FOR THE CITIES TO START USING RUBBERIZED
6 ASPHALT EVEN THOUGH IT COSTS MORE PER TON THAN
7 CONVENTIONAL ASPHALT.

8 THE HOTLINE THAT WE HAVE, THE
9 TOLL-FREE HOTLINE, WE GET ABOUT FOUR CALLS A DAY
10 MONDAY THROUGH FRIDAY. I MONITOR IT FROM 6
11 O'CLOCK IN THE MORNING TILL 6 O'CLOCK IN THE
12 EVENING. I'M NOT AT THE DESK, BUT IT PAGES
13 ME WHEN IT RINGS AND I CALL THEM BACK, AND IT'S
14 BEEN WORKING OUT VERY GOOD.

15 THE RESPONSE THAT -- THE IMPRESSION
16 I GET FROM PEOPLE THAT I TALK WITH, THEY'RE
17 SURPRISED WHEN I GET BACK TO THEM SO QUICKLY WITH
18 THEIR QUESTIONS, AND IT'S WORKING OUT REAL GOOD.

19 WE WILL PROVIDE ON-SITE ASSISTANCE.
20 MY THOUGHT IS THAT WHEN THE CITY OR COUNTY THAT
21 HAS THE NEW PROJECT AND THEY'RE NOT QUITE SURE
22 WHAT IS NECESSARY ON INSPECTION OR THE PLANT OR
23 THE MANUFACTURE OF RUBBERIZED ASPHALT CONCRETE, I
24 WILL PROVIDE MYSELF OR ONE OF MY INSPECTORS TO
25 GO TO THAT CITY AND SPEND THE DAY WITH THEM AND

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 MAKE SURE THAT THE JOB IS DONE RIGHT.

2 IN TALKING WITH AGENCIES THAT HAVE
3 USED RUBBERIZED ASPHALT CONCRETE, THE GREATER
4 PERCENTAGE OF THEM HAVE HAD GOOD SUCCESS, BUT IT'S
5 ALWAYS THE ONE OR TWO FAILURES THAT EVERYBODY
6 TALKS ABOUT.

7 CALTRANS KEEPS TALKING ABOUT THE
8 THREE OR FOUR FAILURES THEY'VE HAD, AND THESE
9 FAILURES WERE CAUSED -- AND CALTRANS AGREES WITH
10 THIS -- NOT BY THE PRODUCT, BUT BY EITHER
11 CIRCUMSTANCES IN THE MANUFACTURE OR CIRCUMSTANCES
12 IN THE LAYDOWN OF THE PRODUCT.

13 WE'VE HAD TWO EXAMPLES IN LOS
14 ANGELES COUNTY WHERE THE FAILURE WAS CAUSED NOT BY
15 THE PRODUCT, BUT THE WAY IT WAS MANUFACTURED AND
16 PLACED, AND THIS IS WHAT WE WANT TO DO WITH THE
17 ON-SITE ASSISTANCE.

18 WE'RE NOT GOING TO DO THEIR TOTAL
19 INSPECTION FOR THEM AS PART OF THIS PROGRAM. I
20 DON'T THINK THAT'S WHAT WE HAD IN MIND, BUT WE'LL
21 GET THEM ON THE RIGHT TRACK ON THE FIRST DAY SO
22 THAT THEY CAN FINISH THE JOB AND DO IT RIGHT.

23 I DON'T WANT TO TAKE TOO MUCH OF
24 YOUR TIME, BUT ON PAGE 2 OF THE GREEN SHEETS,
25 WE'LL JUST KIND OF GO OVER THE ACCOMPLISHMENTS TO

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 DATE, AND I HAVE TO APOLOGIZE TO MARTHA ON THE
2 STATUS REPORTS, THE MONTHLY STATUS REPORTS. I'VE
3 DONE IT KIND OF BRIEF, I'VE COVERED EVERYTHING,
4 BUT IT'S NOT.

5 WE PERSONALLY DISTRIBUTED OVER 800
6 BROCHURES AND A HUNDRED OF THESE WORKBOOKS TO
7 COUNTY SUPERVISORS, CITY COUNCILMEMBERS, CITY
8 MANAGERS, PUBLIC WORKS DIRECTORS, AND CITY
9 ENGINEERS AT CONFERENCES.

10 THIS IS THE I.T.S. CONFERENCE, THE
11 LEAGUE OF CITIES, LEAGUE OF CALIFORNIA CITIES
12 CONFERENCE IN SAN FRANCISCO AND THE RECENT CSET
13 CONFERENCE, AND YOU'LL NOTICE THAT THE NUMBER OF
14 ATTENDEES AT THESE CONFERENCES IS TREMENDOUS.

OF

15 COURSE, WE DIDN'T TALK TO EVERYBODY, BUT WE
TALKED

16 TO A GREAT NUMBER OF THEM.

17 WE'VE MAILED BROCHURES TO EACH
CITY

18 ENGINEER AND OFFICE OF PUBLIC WORKS IN THE STATE
19 OF CALIFORNIA. THEY WENT OUT ABOUT A MONTH AGO.
20 THE RESPONSE IS COMING IN. I'VE GOTTEN ABOUT
21 FORTY RESPONSES BACK TO DATE, AND I EXPECT QUITE

A

22 BIT MORE.

Please note: These transcripts are not individually reviewed and approved for accuracy.

23 A LOT OF TIMES PEOPLE GET

BROCHURES

24 AND THEY GET THE LITTLE COVER LETTER, AND IF
25 THEY'RE LIKE ME, THEY'RE GOING TO LOOK AT THEM,

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 MAYBE PUT THEM ASIDE UNTIL SOMETHING COMES UP.
2 BUT THEY HAVE A BUSINESS REPLY CARD ON THE
3 BROCHURE WHICH YOU CAN SEE. ALL THEY HAVE TO DO
4 IS FILL IT OUT, I'LL CALL THEM, SET UP A MEETING
5 OR JUST WHATEVER I CAN DO FOR THEM.

6 WE'VE CONDUCTED THREE WORKSHOPS THAT
7 I'VE MENTIONED. THE ALAMEDA COUNTY GENERAL
8 SERVICES AUTHORITY HAD 26 PEOPLE, ENGINEERS AND
9 MAINTENANCE PEOPLE.

10 ONE OF THOSE, GEORGE BOLTON, IS VERY
11 EXCITED ABOUT GETTING THE COUNTY TO ADMINISTER
12 PROJECTS WITHIN CITIES SIMILAR TO THE WAY THE
13 COUNTY OF LOS ANGELES DOES WHERE WE'LL TAKE A
14 PROJECT AND WE'LL ADMINISTER A PROJECT THROUGH
15 SEVERAL JURISDICTIONS. THE ADVANTAGE OF DOING
16 THIS WITH RUBBERIZED ASPHALT CONCRETE IS THAT YOU
17 CAN GET MORE TONNAGE.

18 MOST OF THESE CITIES I TALK WITH,
19 THE SMALL CITIES, THEY RESURFACE 3 TO 4,000 TONS A
20 YEAR ON SEVERAL PROJECTS.

21 RUBBERIZED ASPHALT CONCRETE IS NOT
22 COST-EFFECTIVE AT THIS RATE IF YOU NEED 10 TO
23 12,000 TONS ON A PROJECT OR PROJECTS BACK TO BACK
24 IN ORDER FOR COMPANIES TO EFFECTIVELY BID
25 RUBBERIZED ASPHALT AS AN ALTERNATIVE.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 THEY GAVE PRESENTATIONS TO 70 COUNTY
2 ENGINEERS AT THE SEASIDE CONFERENCE IN BURLINGAME
3 A COUPLE WEEKS AGO; WENT OVER VERY GOOD.

4 THE COUNTY ENGINEER PEOPLE, I THINK,
5 WERE MORE INTERESTED AS A WHOLE THAN THE CITY
6 PEOPLE. I'M NOT SURE OF THE REASON FOR THAT
7 EXCEPT THAT THEY MIGHT HAVE LARGER PROJECTS IN
8 WHICH THE RUBBERIZED ASPHALT CONCRETE WOULD BE
9 MORE SUITABLE, ALTHOUGH SOME OF THE SUPERVISORS
10 SAID THAT THEY'RE LOSING 40 MILES A YEAR OF
11 ASPHALT PAVEMENT TO DIRT BECAUSE THEY DON'T HAVE
12 ENOUGH MONEY, AND THIS IS A PROBLEM I THINK THAT
13 IS STATEWIDE IN SOME OF THE OUTLYING COUNTIES.

14 THROUGH THE ASSISTANCE REPORTS, AS I
15 MENTIONED, OVER 50, THERE WAS A HOTLINE.
16 ACTUALLY, IT'S MORE THAN THAT, BUT A LOT OF THEM
17 WERE RETURN CALLS WITH OTHER STAFF, SO I'VE KIND
18 OF COMBINED IT, AND WE PUBLISHED ARTICLES IN THE
19 PUBLIC WORKS JOURNAL, THE WASHINGTON TIRE
20 REPORT, CALIFORNIA TIRE REPORT, THE RTA
21 NEWSLETTER, SOUTHERN CALIFORNIA NEWSPAPER GROUP,
22 AND THE CDAC NEWSLETTER AND BIOCYLE MAGAZINE, AND
23 I'VE BEEN GETTING CALLS FROM THROUGHOUT THE
24 COUNTRY AS A RESULT OF THESE.

25 I GIVE THEM THE INFORMATION. MY

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 GOAL IS TO WORK WITHIN CALIFORNIA, BUT I HAVE
2 PROVIDED BROCHURES AND THE WORKBOOK TO PEOPLE FROM
3 OUT OF STATE.

4 GOING ON TO PAGE 3 QUICKLY, A
5 SUMMARY OF THE INFORMATION WE'VE RECEIVED FROM OUR
6 CONTACTS. ALMOST EVERYBODY'S INTERESTED IN USING
7 RUBBERIZED ASPHALT.

8 THERE ARE CONCERNS ABOUT THE LIMITED
9 SOURCES OF CRUMB-RUBBER. AT THE CURRENT TIME,
10 THERE'S ONLY ONE MANUFACTURER OF CRUMB-RUBBER, AND
11 THAT'S IN SAN BERNARDINO. HE IS NOT BEYOND HIS
12 CAPACITY, SO THAT ISN'T A REAL PROBLEM, BUT I'VE
13 HAD CONTACT FROM A GUY NAMED LARRY BARTON, I THINK
14 HIS NAME IS, WHO IS CONSIDERING ESTABLISHING A
15 CRUMB-RUBBER MANUFACTURING PLANT IN ALAMEDA
16 COUNTY.

17 IF THAT HAPPENS, THEN CRUMB-RUBBER
18 WILL BE AVAILABLE, MORE AVAILABLE IN CENTRAL AND
19 NORTHERN CALIFORNIA, WHICH WILL HELP THE COSTS.
20 SMALL JOBS ARE NOT EFFECTIVE USE OF CRUMB-RUBBER.
21 I THINK WE HAVE TO REALIZE THIS, AND IN TALKING
22 WITH THE PUBLIC OFFICIALS, IF THEY HAVE A SMALL
23 JOB AND THEY'RE NOT GOING TO DO A LOT OF
24 ENGINEERING TO DETERMINE WHETHER OR NOT

RUBBERIZED

25 ASPHALT IS COST-EFFECTIVE AND THEY'RE JUST

Please note: These transcripts are not individually reviewed and approved for accuracy.

GOING

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 TO RECONSTRUCT OR THEY'RE JUST GOING TO PUT AN
2 INCH OF ASPHALT DOWN, IT'S NOT COST-EFFECTIVE.

3 RUBBERIZED ASPHALT IS STRONGER, MORE
4 DURABLE THAN CONVENTIONAL ASPHALT, BUT IT HAS TO
5 BE USED IN THE RIGHT SPOTS. IF WE USE IT IN THE
6 WRONG SPOTS, IT'S JUST GOING TO COST THEM MONEY
7 BECAUSE THEY'RE REALLY NOT GOING TO TAKE THE
8 BENEFITS OF IT.

9 MOST CITIES USE RUBBERIZED ASPHALT
10 BECAUSE IT LOOKS BETTER, RIDES BETTER, IS
QUIETER

11 AND BECAUSE THERE IS A PROPONENT OF RUBBERIZED
12 ASPHALT WITHIN THE CITY THAT'S PUSHING IT.

13 THE CITY OF PALOS VERDES ESTATES
HAS

14 A PROPONENT ON THE CITY COUNCIL AND HE WANTS
15 RUBBERIZED ASPHALT ON EVERY STREET IN THE CITY,
16 AND THE REASON HE LIKES IT IS BECAUSE IT STAYS
17 NEW, LOOKING NEW LONGER AND IT'S QUIETER, HE
SAYS,

18 AND I'VE HEARD THAT FROM SEVERAL PEOPLE, THAT IT
19 IS QUIETER. I BELIEVE IT MYSELF, BUT I DON'T
20 THINK THERE'S ANY REAL REPORTS ON IT, ALTHOUGH
RTA

21 CLAIMS TO HAVE ONE.

22 RUBBERIZED ASPHALT IS PERCEIVED BY

Please note: These transcripts are not individually reviewed and approved for accuracy.

A

23 FEW PEOPLE TO BE HAZARDOUS OR NON-RECYCLABLE.

24 THEY'RE CONCERNED ABOUT FIRES. EVERYBODY'S

HEARD

25 ABOUT THE ROAD FILL IN OREGON AND WASHINGTON
THAT

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 STARTED ON FIRE. IT'S NOT GOING TO HAPPEN HERE.

2 RUBBERIZED -- RUBBER BURNS AT 650
3 DEGREES. ASPHALT BURNS AT 400 AND SOME DEGREES,
4 SO IF THERE'S GOING TO BE A FIRE, IT'S GOING TO BE
5 ASPHALT, RIGHT? AND THERE'S ONLY 30 POUNDS OF
6 RUBBER PER TON OF ASPHALT, SO WE'RE NOT TALKING
7 ABOUT BIG CHUNKS IN THE ROAD FILL.

8 IT CAN BE MILLED AND RECYCLED. WE
9 HAVE A COMPANY IN LOS ANGELES THAT'S RECYCLING,
10 THAT'S WORKING WITH THE CITY OF LOS ANGELES ON
11 RECYCLING ASPHALT PAVEMENT BY JUST BRINGING IT TO
12 THE PLANT, SENDING IT THROUGH THE CRUSHERS,
ADDING

13 A LITTLE BIT OF ASPHALT, IF NECESSARY, AND THEY
14 CAN ADD A LITTLE BIT OF RUBBER IF THEY WANT, SO
IT
15 IS RECYCLABLE.

16 SOME OF THE -- ONE OF THE THINGS
17 THAT KIND OF BOTHERED ME IS THAT BEING FROM THE
18 COUNTY OF LOS ANGELES AND HAVING A LOT OF
19 FACILITIES TO DO ENGINEERING DESIGN WHEN IT COMES
20 TO ROADWAYS, STRUCTURAL SECTIONS, I GUESS I GOT
TO
21 KIND OF THINK THAT EVERYBODY DOES THIS.

22 I MEAN, A ROADWAY STRUCTURAL
SECTION

Please note: These transcripts are not individually reviewed and approved for accuracy.

23 ANALYSIS COSTS ABOUT \$5,000 PER MILE. THIS IS
24 MAXIMUM, AND YET MOST CITIES DON'T DO IT. THEY
GO
25 OUT AND LOOK AT A JOB THAT LOOKS LIKE IT'S

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 ALLIGATOR. "LET'S PUT THREE INCHES OF ASPHALT ON
2 IT."

3 TO ME, THAT'S A WASTE OF MONEY.
4 THEY'RE NOT DOING THE \$5,000 WORTH OF PRELIMINARY
5 WORK TO DETERMINE WHETHER THEY NEED THREE INCHES
6 OR TWO INCHES OR FULL RECONSTRUCTION, BUT THERE'S
7 A -- I GUESS THEY HAVE A HANGUP WITH THE UP-FRONT
8 MONEY AND THEY PUT TWO INCHES DOWN, IT LASTS QUITE
9 A WHILE, BUT MAYBE THEY ONLY NEEDED AN INCH AND A
10 HALF. THEY COULD HAVE DONE SOME MORE STREETS.

11 THEY DON'T -- A LOT OF THE CITIES
12 DON'T PROVIDE QUALITY ASSURANCE. THEY DON'T
13 PROVIDE JOB INSPECTION. I DON'T THINK THAT THAT'S
14 THE PURPOSE OF THIS ORGANIZATION, TO PROVIDE THAT
15 FOR THEM, BUT I'M JUST TRYING TO STRESS WITH THE
16 CITIES AS I TALK TO THEM AND THE COUNCIL MEMBERS
17 AND THE COUNTY SUPERVISORS THAT IF YOU WANT A GOOD
18 JOB, YOU'RE GOING TO HAVE TO INSPECT IT, AND I
19 THINK I'VE GOT THE WORD ACROSS. WHETHER OR NOT
20 IT'S GOING TO DO ANY GOOD, I DON'T KNOW.

21 FUTURE PROGRAM GOALS. THROUGH
22 THE -- WE'VE GOT ANOTHER YEAR TO GO ON THIS
23 CURRENT CONTRACT THROUGH NOVEMBER OF '98. WE
24 WILL

25 CONTINUE TO PROVIDE THE OUTREACH SERVICES THAT WE
26 HAVE, THE CONFERENCES, THE ONE-ON-ONE CONTACTS.

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 AS SOON AS CITIES GET SOME PROJECTS TOGETHER,
2 WE'LL PROVIDE THE ON-SITE ASSISTANCE, HELP THEM
3 WITH THEIR SPECIFICATIONS.

4 WE'RE GOING TO ENCOURAGE MORE
5 COMPANIES TO PROVIDE THE MATERIAL. IF CRUMB-
6 RUBBER IS THE BASIC MATERIAL, THE BLENDING
7 EQUIPMENT HAS TO BE BROUGHT INTO THE SITE, INTO
8 THE AREA, AND THIS CAN BE DONE BY GETTING THE
9 COMPANIES EXCITED ABOUT BRINGING THE EQUIPMENT IN
10 AND GETTING THE CITIES AND THE COUNTIES EXCITED
11 ABOUT USING THE PRODUCT. ONCE THE PRODUCT STARTS
12 TO BE USED, THE COMPANIES WILL BE IN THERE BECAUSE
13 THAT'S THEIR LIVELIHOOD.

14 WE'RE GOING TO ENCOURAGE THE CITIES
15 AND THE COUNTIES TO COMBINE THEIR PROJECTS SO THAT
16 INSTEAD OF ALAMEDA COUNTY, FOR EXAMPLE, THEY WANT
17 TO -- IF THEY'RE WORKING ON A PROPOSAL TO GET WITH
18 THE 14 CITIES IN THEIR COUNTY AND COME UP WITH
19 SHARED PROJECTS WHICH THE CITY WILL PAY THEIR
20 SHARE AND ALAMEDA COUNTY WILL DO THE
21 ADMINISTRATION OF IT. THAT WAY YOU CAN GET
22 PROJECTS -- INSTEAD OF 2,000 TONS, YOU CAN GET
23 12,000 TONS ON A SINGLE PROJECT. THAT CAN BRING
24 THAT BLENDING PLANT INTO THE AREA TO DO

RUBBERIZED

25 ASPHALT, AND WE'RE GOING TO ENCOURAGE THE CITIES

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 TO PROVIDE ADEQUATE INSPECTION AND TO PERFORM THE
2 PAVEMENT TESTING AND ANALYSIS PRIOR TO DOING THE
3 PLANS AND SPECIFICATIONS.

4 I BELIEVE THAT YOU'VE GOT TO HAVE A
5 FIRM FOUNDATION FOR ANY STRUCTURE. A ROADWAY IS A
6 STRUCTURE; A HOUSE IS A STRUCTURE. IF YOU BUILD A
7 HOUSE ON A LANDSLIDE AND DIDN'T REALIZE YOU'RE
8 GOING TO HAVE A PROBLEM WHICH IS GOING TO RUIN THE
9 WHOLE HOUSE, RIGHT? IF YOU BUILD A HOUSE ROAD AND
10 YOU DON'T BUILD A PROPER ROAD STRUCTURE, YOU'RE
11 WASTING YOUR MONEY. IT'S NOT GOING TO LAST SO
12 LONG AS YOU THOUGHT IT WOULD OR YOU'RE OVER-
13 COMPENSATING BY PROVIDING MORE THAN YOU NEED.
14 AS I MENTIONED BEFORE, THE PAVEMENT TESTING.

15 ANALYSIS IS VERY INEXPENSIVE.
16 \$5,000 PER MILE IS A MAXIMUM COST THAT WE RUN
17 INTO, AND I'VE CHECKED WITH SEVERAL CONSULTANTS
18 AND THEY AGREE WITH THAT. SO I'M GOING TO
19 ENCOURAGE THE CITIES TO DO THIS, GET THE INITIAL
20 STEP WHERE THEY START RUNNING ON A PROJECT. I'LL
21 GET INTO PROJECTION OF EXPENSES. WE'VE ACTUALLY
22 ONLY BILLED ABOUT \$12,000 SO FAR, BUT WE'VE SPENT
23 ABOUT \$70,000, AND THE REASON THAT THE FULL
24 \$70,000 HASN'T BEEN BILLED IS BECAUSE OF THE
25 VARIOUS POSTING DATES ON THE CHARGES.

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 WE'RE GOING THROUGH THE COUNTY'S
2 FINANCIAL SYSTEM AND EVERYTHING -- NOTHING GETS
3 BILLED UNTIL IT ACTUALLY HITS. AS YOU CAN SEE
4 THERE, WE'VE GOT ABOUT \$50,000 EXPENDED IN STAFF
5 TIME. THE BROCHURES, WORKBOOKS AND BOOTH DISPLAY
6 COSTS ABOUT \$14,000. THE CONSULTANT WE HAD DOING
7 THAT HAS A CONTRACT WITH THE COUNTY JUST SUBMITTED
8 HIS BILL TWO WEEKS AGO, SO THAT WILL BE HITTING
9 CONFERENCES, TRAVEL, WORKSHOP ANOTHER SIX, SO
10 WE'VE SPENT ABOUT \$70,000. PROJECTED EXPENSES
11 THROUGH NOVEMBER OF '98, I DON'T KNOW IF YOU'RE
12 FAMILIAR WITH THE VARIOUS TASKS THAT WE HAVE, BUT
13 BASICALLY THEY'RE CONSULTATION SERVICES,
14 WORKSHOPS, SETTING UP A WEB SITE, STATUS REPORTS,
15 THAT KIND OF THINGS.

16 AND I'VE GONE THROUGH AND ESTIMATED
17 THE TOTAL ESTIMATED EXPENDITURES THROUGH NOVEMBER
18 OF '98, WHICH IS 410,000 OUT OF THE 500,000 THAT
19 WAS BUDGETED FOR THIS PROGRAM. RECOMMENDATIONS
20 FOR FUTURE -- FOR '97-'98 ALLOCATION IF I MIGHT.
21 I'VE TALKED A LITTLE BIT ABOUT THIS WITH STAFF,
22 BUT NOT REALLY IN DETAIL, SO THEY'RE NOT REALLY
23 AWARE OF WHAT I'M PROPOSING, BUT I WOULD LIKE YOU
24 TO CONSIDER IT.

25 AS I MENTIONED BEFORE, ONE OF THE

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 PROBLEMS THAT THE CITIES HAVE IS THAT THEY'RE NOT
2 DOING THE ENGINEERING BECAUSE THEY DON'T HAVE THE
3 MONEY OR THEY PERCEIVE THEY DON'T HAVE THE MONEY
4 TO DO THE ENGINEERING. AS YOU CAN SEE FROM OUR
5 EXPENDITURES, OUR PROPOSED ESTIMATED EXPENDITURES
6 THROUGH FOR ANOTHER YEAR, WE'RE NOT GOING TO
7 SPEND, I DON'T BELIEVE, THE FULL \$500,000, BUT I
8 WOULD LIKE TO EXTEND THE PROGRAM FOR ANOTHER YEAR
9 AT \$150,000 TO COVER THE CENTER'S EXPENSES FOR
10 THAT ADDITIONAL YEAR, INCLUDING THE HUNDRED
11 THOUSAND WE'RE NOT GOING TO SPEND, OR IN ADDITION
12 TO THE HUNDRED THOUSAND WE'RE NOT GOING TO SPEND,
13 AND THEN SET ASIDE SOME MONEY -- AND I'VE BEEN
14 OFFERED A SUGGESTION OF \$350,000 -- TO BE USED TO
15 HELP THE CITIES GET INTO RUBBERIZED ASPHALT
16 CONCRETE PROJECTS. A LOT OF THEM WOULD LIKE TO
17 USE IT, BUT THEY CAN'T SELL IT BECAUSE IT COSTS
18 MORE PER TON. IF THEY DO THE ENGINEERING TO FIND
19 OUT -- AS YOU CAN SEE IN MY WORKBOOK, MY
20 CALCULATIONS, THAT WHILE IT COSTS MORE PER TON,
21 THEY CAN SAVE A BUNCH OF MONEY ON PROJECTS, UP TO
22 HUNDRED THOUSAND DOLLARS ON A MAJOR HIGHWAY
23 RESURFACE, OR A MILLION DOLLARS IF RUBBERIZED
24 ASPHALT IS PROPER FOR FULL RECONSTRUCTION.
25 I THINK THEY'RE NOT DOING THIS

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 BECAUSE THEY DON'T KNOW THAT IT'S REALLY
2 COST-EFFECTIVE FOR THEM TO DO THIS. MY PROPOSAL,
3 MY RECOMMENDATION FOR YOUR CONSIDERATION IS THAT
4 OUT OF THE \$500,000 THAT WOULD BE ALLOCATED TO THE
5 CENTER, YOU TAKE 350,000 OF THAT AND USE THAT TO
6 HELP THESE CITIES DO THAT UP-FRONT ENGINEERING
7 STUDY AT A MAXIMUM COST OF \$5,000. THAT WOULD
8 GIVE YOU 70 PROJECTS ON BOARD; AND IF EACH PROJECT
9 IS 5 TO 10,000, THAT'S, WHAT, 350 TO 700,000 TONS
10 OF RUBBERIZED ASPHALT THAT WE'RE PUTTING DOWN, AND
11 EACH TON USES THREE TIRES, SO YOU'RE TALKING ABOUT
12 TWO MILLION TIRES USED.

13 I MEAN, THE NUMBERS ARE REALLY
14 TREMENDOUS IF YOU CAN GET THE CITIES, GIVE THEM AN
15 INCENTIVE TO START USING THIS. MY PROPOSAL WOULD
16 BE TO SET ASIDE UP TO \$5,000 PER PROJECT FOR THIS
17 UP-FRONT ENGINEERING. IN TALKING WITH CAREN, I
18 PROPOSED THAT RATHER THAN HAVING THE BOARD STAFF
19 ANALYZE WHAT CITIES SHOULD GET THIS, I WOULD
20 CONTACT EACH CITY AND GIVE THEM A FORM TO FILL OUT
21 OR AN OPTION TO HIRE A CONSULTANT OR DO THE WORK
22 IN-HOUSE WITH THE IDEA THAT ONCE THEIR PROJECT IS
23 APPROVED -- AND I COULD APPROVE THAT IF YOU WOULD
24 LIKE -- THAT THE BOARD WOULD THEN REIMBURSE THEM
25 FOR THEIR COST OF THAT STUDY UP TO \$5,000, AND I

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 THINK IT WOULD BE A GREAT INCENTIVE FOR THE CITIES
2 TO GET -- START USING THE RUBBERIZED ASPHALT.

3 IN ADDITION, I WOULD SUGGEST THAT
4 WHEN COUNTIES ADMINISTER JOINT PROJECTS, THERE'S
5 SOME UP-FRONT COST, ADMINISTRATION COST THAT
6 REALLY DOESN'T BENEFIT THE COUNTY A WHOLE LOT, AND
7 I WOULD PROPOSE THAT YOU MIGHT CONSIDER PROVIDING
8 UP TO \$5,000 PER PROJECT TO ALAMEDA COUNTY, FOR
9 EXAMPLE, AS THEY GET PROJECTS WITHIN CITIES, JOINT
10 PROJECTS WHERE YOU CAN GET THE TONNAGE UP. ONCE
11 YOU GET THE CITIES TO START USING THIS, IT'S GOING
12 TO GO LIKE WILD FIRE.

13 SOUTHERN CALIFORNIA, ABOUT 70
14 PERCENT OR 80 PERCENT OF OUR RESURFACING PROJECTS
15 USE RUBBERIZED ASPHALT CONCRETE. FIVE YEARS AGO,
16 IT MIGHT HAVE BEEN 5 PERCENT, BUT WE STARTED USING
17 IT, WE REALIZE HOW MUCH MONEY WE'RE SAVING, AND
18 WE'RE GOING TO KEEP ON USING IT, AND AS THE
19 PRODUCT GETS STARTED USING MORE AND MORE, THE
20 QUALITY CONTROL GETS BETTER, THE MORE CONTRACTORS
21 ARE FAMILIAR WITH IT, SO IT'S KIND OF A
22 MUSHROOMING THING. YOU START AND IT KEEPS GOING
23 AND IT KEEPS GOING.

24 ANYWAY, I'VE TAKEN UP A LOT OF YOUR
25 TIME, BUT I DID WANT TO GET THROUGH THIS. I DO

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 THINK THAT THE COUNTY OF LOS ANGELES IS THE
2 VEHICLE FOR THIS TYPE OF A PROGRAM. IN TALKING
3 WITH CITIES AND COUNTIES, FIRST OF ALL, WE HAVE TO
4 TELL THEM WE'RE NOT SELLING ANYTHING BECAUSE THEY
5 DON'T BELIEVE US THAT WE'RE NOT A COUNTY
6 ORGANIZATION. WE HAVE TO STRESS THAT, BUT WHEN
7 THEY DO REALIZE THAT, THEY FEEL A LITTLE BETTER
8 BECAUSE THEY KNOW THAT WE'RE NOT PROMOTING ASPHALT
9 OR A PRODUCT IN ORDER TO MAKE MONEY FOR THE
10 COUNTY. WE'RE PROMOTING IT FOR ENVIRONMENTAL
11 REASONS, WE'RE PROMOTING IT BECAUSE YOU'VE SEEN
12 FIT TO FUND US, WHICH IS GREAT, AND I THINK THAT
13 THE COUNTY OF LOS ANGELES IS PROBABLY THE BEST
14 AGENCY TO DO THIS TYPE OF THING, AND I WOULD
15 RECOMMEND THAT THE PROGRAM BE EXTENDED, MY
16 RECOMMENDATIONS AS FAR AS HOW THE MONEY WOULD
17 BE
18 ALLOCATED BE CONSIDERED. SO THANK YOU.

18 CHAIRMAN JONES: DOES ANYBODY HAVE ANY
19 QUESTIONS FOR MR. NICHOLSON?

20 MEMBER RELIS: NOT A QUESTION AT THIS
21 POINT, BUT MORE -- WHEN YOU'RE READY, I HAVE
22 SOME
23 COMMENTS.

23 CHAIRMAN JONES: ANY QUESTIONS?

24 MEMBER PENNINGTON: NO, I DON'T HAVE

Please note: These transcripts are not individually reviewed and approved for accuracy.

ANY

25 QUESTIONS.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 CHAIRMAN JONES: I HAVE A COUPLE OF
2 QUESTIONS.

3 I KNOW THIS WAS A TIGHTLY WRITTEN
4 AGREEMENT, KIND OF LIMITED ON WHAT YOU CAN DO.
5 THE INSPECTIONS THAT YOU WERE TALKING ABOUT THAT
6 YOU DIDN'T THINK WERE PART OF THE PROCESS AND
7 PROBABLY WEREN'T PART OF THE PROJECT, BUT IF -- IF
8 YOU PERFORMED THOSE THINGS, IF YOU WENT OUT, YOU
9 KNOW, AND DID A FIRST CUT TO MAKE SURE THEY HAD
10 ALL THE STUFF IN PLACE AND THEY KNEW WHAT WAS
11 GOING ON, THAT HELPS SELL -- SELL -- THE SUCCESS
12 HELPS SELL RUBBERIZED ASPHALT.

13 MR. NICHOLSON: THAT'S RIGHT.

14 CHAIRMAN JONES: IS THERE ENOUGH TIME TO
15 ADD THAT? LET'S SAY THAT WE LOOK AT YOUR
16 RECOMMENDATION. DOES PART OF IT INCLUDE --

17 MR. NICHOLSON: YES.

18 CHAIRMAN JONES: -- YOUR TIME DOING THE
19 INITIAL INSPECTION AND SOME HELP DURING THE
20 PROJECT?

21 MR. NICHOLSON: YES. I BUDGETED A
22 HUNDRED THOUSAND DOLLARS THIS YEAR FOR ON-SITE
23 ASSISTANCE. THAT'S A LOT OF -- A LOT OF TRIPS, SO
24 YES. THE BUDGET THAT I'VE ESTIMATED SPENDING
25 THROUGH NOVEMBER OF '98, THE 410,000 INCLUDES

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 THAT. THE ADDITIONAL 150,000 THAT I'VE PROPOSED
2 WOULD ALSO INCLUDE THAT.

3 WE SPENT A LOT OF TIME AND MONEY IN
4 GETTING UP AND RUNNING HERE. THE BOOTH DISPLAYS,
5 THE BROCHURES, THE WORKBOOKS HAVE ALL TAKEN A LOT
6 OF TIME, BUT I THOUGHT THAT IT WAS VERY NECESSARY
7 TO MAKE THE CITIES AND COUNTIES AWARE OF WHAT WE
8 CAN OFFER BEFORE WE HIT 'EM COLD.

9 CHAIRMAN JONES: I AGREE WITH YOU. I
10 THINK IT'S IMPORTANT. I LOOKED THROUGH -- I
11 DIDN'T -- I DIDN'T TAKE YOUR THING BECAUSE I
12 THOUGHT I HAD ONE, I DIDN'T HAVE THE GREEN PAGES,
13 BUT, YOU KNOW, YOU TALK A LOT ABOUT REGIONALIZE.
14 AND OBVIOUSLY IF YOU'VE GOT THE EQUIPMENT IN A
15 REGION, THEN THERE'S A BENEFIT TO THOSE WHO USE
16 IT.

17 MR. NICHOLSON: RIGHT.

18 CHAIRMAN JONES: IS THERE A WAY TO
19 PROMOTE THAT WHEN YOU'RE GOING OUT AND DOING YOUR
20 REGIONAL WORKSHOPS? YOU'VE GOT A LOT OF EXAMPLES
21 OF WHERE THERE'S COST SAVINGS AND STUFF. ARE YOU
22 ABLE TO TAILOR -- WOULD YOU BE ABLE TO TAILOR
23 THOSE, WHERE YOU WENT IN AND DID A WORKSHOP AND
24 YOU KNEW THAT THERE WERE ITEMS IN FOUR OR FIVE OF
25 THESE SURROUNDING CITIES THAT --

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 MR. NICHOLSON: OH, CERTAINLY.

2 CHAIRMAN JONES: -- WOULD HELP YOU, WOULD
3 HELP EVERYBODY IN PROMOTING THIS?

4 MR. NICHOLSON: THE ALAMEDA COUNTY WASTE
5 MANAGEMENT WORKSHOP, WHICH WOULD BE HELD NOVEMBER
6 5TH, HAD 108 PEOPLE FROM THE 14 CITIES AND THE
7 COUNTY THERE, AND AS A RESULT OF THAT, PLUS MY
8 PREVIOUS WORKSHOP WITH ALAMEDA COUNTY, THE COUNTY
9 IS PUTTING TOGETHER PROGRAMS WHERE THEY CAN
10 REGIONALIZE THE PROJECT. AND WE USED -- THE
11 WORKSHOP USED A PERSON FROM GRANITE CONSTRUCTION,
12 RAJKA WAJZI, WHO DID ONE OF THE PRESENTATIONS, AND
13 HIS COMPANY HAS A BLENDING UNIT TO BLEND THE
14 RUBBER WITH THE ASPHALT, BUT IT'S AN AFFORDABLE
15 UNIT, BUT IT COSTS ABOUT \$10,000 TO BRING INTO AN
16 AREA. SO IF YOU CAN DO A 10,000 TON PROJECT, THE
17 COST OF TRANSPORTING THE EQUIPMENT IS ONLY A
18 DOLLAR A TON.

19 CHAIRMAN JONES: RIGHT.

20 MR. NICHOLSON: YOU'RE NOT GOING TO GET
21 THAT KIND OF A PRESS BECAUSE CONTRACTORS THAT
22 AREN'T FAMILIAR WITH THE PROJECT ARE GOING TO BID
23 A LITTLE HIGHER. WE'RE GETTING PRICES IN L.A.
24 COUNTY FOR \$39 TO \$40 A TON FOR SIX-TO TEN-TON
25 PROJECTS.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 CHAIRMAN JONES: I WENT THROUGH YOUR --
2 YOU FOLKS HAVE SPENT ABOUT TWO MILLION, ALMOST
3 \$2,300,000 ON THESE PROJECTS, BUT GOT RID OF
4 51,000 TONS OF MATERIAL. THAT'S PRETTY IMPRESSIVE
5 AND THEY'RE REGIONAL AND IT MAKES A LOT OF SENSE.
6 YOUR RANGES GO FROM \$60 TO 41, I THINK, FOR AN
7 AVERAGE COST OF \$45 A TON.

8 MR. NICHOLSON: THAT'S ONLY ONE MONTH'S
9 WORTH.

10 CHAIRMAN JONES: RIGHT, AND I THINK
11 THAT'S IMPORTANT. THAT'S WHAT WE DO HERE ALL THE
12 TIME IS LET PEOPLE KNOW WHAT THE ADVANTAGES ARE TO
13 DIFFERENT -- TO CHANGE, YOU KNOW, AND --

14 MR. NICHOLSON: RIGHT.

15 CHAIRMAN JONES: -- IT'S IMPORTANT.

16 MR. NICHOLSON: IF I MIGHT? THAT'S ONE
17 OF THE REASONS THAT THAT PAVEMENT EVALUATION STUDY
18 IS SO IMPORTANT, BECAUSE ONCE THE RESULTS COME IN,
19 AND IF YOU SEE MY EXAMPLE, IT REQUIRES 4 INCHES OF
20 CONVENTIONAL ASPHALT. IF YOU CAN SAVE A LANE MILE
21 BY USING RUBBERIZED, THEY WON'T KNOW THAT, AND
22 THERE'S SO MANY CITIES THAT DON'T DO IT.

23 I'M NOT PROPOSING THAT WE DO IT FOR
24 'EM, BUT THEY SHOULD DO IT OR HIRE A CONSULTANT.
25 THERE'S A LOT OF PEOPLE THAT CAN DO THAT.

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 CHAIRMAN JONES: AND WE SHOULD PAY FOR
2 IT.

3 MR. NICHOLSON: THAT'S POSSIBLE AS AN
4 INCENTIVE TOO.

5 CHAIRMAN JONES: I'M GIVING YOU A BAD
6 TIME. THAT'S MY NATURE. THANK YOU.

7 MEMBER RELIS: MR. CHAIR?

8 CHAIRMAN JONES: MR. RELIS.

9 MEMBER RELIS: I'D LIKE TO JUST GO BACK
10 AND PUT THIS PROJECT IN PERSPECTIVE, AND I'VE BEEN
11 A STRONG PROPONENT OF THIS EFFORT, AND AS YOU
12 KNOW, VISITED YOUR FACILITY --

13 MR. NICHOLSON: YES.

14 MEMBER RELIS: -- AND FEEL THAT THIS
15 OFFERED THE BOARD A REAL OPPORTUNITY TO DO KIND OF
16 THE -- I'LL JUST DRAW THE ANALOGY TO LIKE THE
17 COMPOST DEVELOPMENT WE'VE DONE. WE'VE ENTERED
18 INTO A MULTI-YEAR EFFORT TO DEVELOP A MARKET THAT
19 DIDN'T EXIST. IT WASN'T VERY STRONG WHEN THAT
20 PROJECT BEGAN.

21 I'M NOT SAYING THAT THE PROJECT
22 CREATED THE MARKET COMPLETELY BY ANY STRETCH, BUT
23 IT WAS A CONTRIBUTING FACTOR. YOU KNOW, I GOT
24 EXCITED TODAY WHEN YOU STARTED YOUR PRESENTATION
25 TAKING US BACK TO THE TIME WHEN MY EYES LIT UP

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 WHEN YOU -- YOU MENTIONED THAT THIS COULD GENERATE
2 MAYBE A COUPLE OF MILLION TIRE MARKET PULL,
3 BECAUSE AFTER ALL, AGAIN, THAT'S WHAT THIS BOARD
4 IS AFTER, RESULTS.

5 WE -- SO WHEN I FIRST GOT THE
6 BRIEFING ON THIS AND THEN THEY READ THE ITEM, YOU
7 KNOW, THERE'S NOTHING THAT COMES OUT AT ME THAT
8 PUTS THE -- THESE KINDS OF NUMBERS OUT THERE AND A
9 TRACK THAT GETS US WHERE I THINK YOU WANT TO GO --

10 MR. NICHOLSON: UH-HUH.

11 MEMBER RELIS: -- BASED ON WHAT YOU'VE
12 SAID.

13 THE INFORMATION SUGGESTS THIS IS A
14 GOOD BUY FOR LOCAL GOVERNMENT. WE'RE NOT JUST
15 FOISTING SOMETHING ON THEM THAT DOESN'T MAKE ANY
16 ECONOMIC SENSE. SO THE REAL QUESTION THEN IS HOW
17 DO WE -- BOTH FROM A REPORTING PERSPECTIVE AND OUR
18 DELIBERATION ABOUT WHETHER WE'RE GOING TO COMMIT
19 NEW FUNDS, HOW DO WE SEE THE WHOLE GAME PLAN HERE
20 AND HOW THAT'S UNFOLDING. AND MY SUGGESTION --
21 JUST TODAY, YOU'VE PRESENTED AN IDEA THAT MIGHT
22 HELP KICK START THE ACTUAL USE.

23 I DON'T THINK STAFF HEARD THAT.

24 WE'RE JUST HEARING THAT FOR THE FIRST TIME.

25 MR. NICHOLSON: THAT'S RIGHT.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 MEMBER RELIS: IT SEEMS TO ME THAT NEEDS
2 SOME FURTHER WORK, BUT I KNOW OUR TIMELINE'S TIGHT
3 ON THE ISSUE OF COMMITTING FUTURE FUNDS, BUT IT
4 SEEMS TO ME THAT WE NEED TO DO SOME MORE WORK ON
5 THAT TO GET A COMFORT LEVEL WITH WHERE YOU WANT TO
6 GO AND SQUARE THAT.

7 I'D LIKE TO SEE IF WE COULD GET SOME
8 NUMBERS OUT HERE ABOUT AGAIN PUTTING THAT TWO
9 MILLION OR WHATEVER THE NUMBERS IN A TIMELINE THAT
10 WOULD GIVE YOU A TARGET TO GO FOR AND NOT -- AND
11 THE BOARD A GREATER SENSE, PERHAPS, OF
12 ACCOUNTABILITY FROM A NUMBER CRUNCHING SIDE.

13 I'D LIKE TO BETTER UNDERSTAND THE
14 INFRASTRUCTURE PROBLEM WHICH YOU'VE IDENTIFIED ON
15 PAGE 2 OF YOUR REPORT WHICH SAYS BASICALLY WE ONLY
16 HAVE ONE CRUMB-RUBBER PRODUCER --

17 MR. NICHOLSON: THAT'S RIGHT.

18 MEMBER RELIS: -- RIGHT NOW. WE DON'T
19 WANT TO BE USING TIRES FROM OUT OF STATE. THAT
20 WILL NOT EXACTLY -- THAT'S NOT AN EXCITING
21 PROSPECT GIVEN WHAT WE'RE INVESTING HERE. I DON'T
22 THINK WE -- WE COULD JUSTIFY THAT, FRANKLY, SO I
23 THINK WE NEED TO SEE THE INFRASTRUCTURE CONNECT
24 AND I THINK THAT THE -- THE RELATIONSHIP BETWEEN
25 THE PROPOSED NEW DEMAND MIGHT ATTRACT THE PARTIES

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 TO PERHAPS DEVELOP FURTHER THIS CAPACITY.

2 I DON'T KNOW THAT FOR SURE. I DON'T
3 THINK ANY OF US HAVE THAT WITHIN OUR -- HAVE THAT
4 CONTROL OR INSIGHT AT THAT LEVEL. BUT -- AND THEN
5 FINALLY I'D LIKE TO SEE WHAT OUR STAFF ROLE IS IN
6 THIS, BECAUSE IF YOU FRAME THIS, THIS IS
7 ANOTHER LIKE GRASSCYCLING, LIKE THE COMPOST
8 DEVELOPMENT. THIS IS A PARTNERSHIP ROLE BETWEEN
9 THE BOARD -- IN OTHER WORDS, AS ENVISIONED IN
10 AB-939, THE STATE WORKING WITH LOCAL GOVERNMENT.
11 L.A. COUNTY IS OUR LOCAL GOVERNMENT VEHICLE FOR
12 FURTHERING THIS PARTNERSHIP. SO WHAT'S IT GOING
13 TO TAKE TO MAKE THIS PARTNERSHIP WORK? AND WE
14 HAVE A ROLE AT THE STAFF; NOT JUST AS CONTRACT
15 MONITORS WHERE WE'RE PASSIVELY MAYBE WATCHING
16 WHAT YOU'RE DOING AND COMMENTING ON IT, BUT WHAT
17 ARE WE ACTIVELY DOING TO PROVIDE FURTHER ENERGY,
18 ASSISTANCE, TECHNICAL ASSISTANCE? I DON'T GET A
19 SENSE OF WHAT OUR ROLE IS IN MAKING THIS WORK
20 RIGHT.

21 MS. TRGOVCICH: MAYBE, MEMBER RELIS, I'D
22 LIKE TO ADDRESS THAT FOR A MINUTE AND TAKE YOU
23 BACK TO THE DELIBERATIONS OF LAST APRIL ABOUT
BOTH
24 THE ALLOCATION 6-7 DOLLARS AND THE FUTURE 7-8

Please note: These transcripts are not individually reviewed and approved for accuracy.

25 DOLLARS THAT WE'RE NOW DISCUSSING. AT THAT TIME

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 WE DISCUSSED THE RELATIONSHIP BETWEEN THE NUMBER
2 OF ACTIVITIES THAT THE BOARD APPROVED. AS YOU'LL
3 REMEMBER, WE HAD 500,000 FOR THE CENTER. WE HAVE
4 A BIENNIAL CONFERENCE THAT WE ARE NOW PREPARING.
5 WE HAVE THREE GRANT PROGRAMS THAT ARE ON THE
6 STREET RIGHT NOW. WE HAVE TWO PRIOR FISCAL YEAR
7 GRANT PROGRAMS THAT ARE CURRENTLY MOVING THROUGH
8 THE PROCESS AND A LIST OF ABOUT 15 OTHER
9 ACTIVITIES. ONE OF THE GOALS OF CONTRACTING WITH
10 THE STATEWIDE CENTER WITH L.A. WAS TO BE ABLE TO
11 GET INCREASED SUPPORT WITHOUT INCREASING THE STAFF
12 WORKLOAD, SO WHAT I'M TRYING TO SAY TO YOU IS
13 THERE IS NOT A STRONG STAFF ROLE AS IT RELATES TO
14 THE CENTER BECAUSE IT WAS DETERMINED THAT THAT WAS
15 GOING TO BE THE CENTER'S ROLE.

16 MEMBER RELIS: OKAY.

17 MS. TRGOVCICH: THERE ARE A VERY LIMITED
18 NUMBER OF STAFF THROUGH THE TIRE FUND TO DO A LOT
19 OF JOBS NOT JUST TO MARKET DEVELOPMENT, BUT TO
20 PERMITTING TIRE HAULER REGISTRATION, ET CETERA.
21 WE WERE LOOKING AT THE CENTER AS A WAY OF
22 OFFSETTING THOSE STAFF WORKLOAD ISSUES.

23 MEMBER RELIS: OKAY. SO THAT'S A CLEAR
24 MESSAGE. I MEAN, THAT'S HELPFUL TO GET A
REMINDER

Please note: These transcripts are not individually reviewed and approved for accuracy.

25 ON OUR OBLIGATION AND OUR EXPECTATION AS WE WENT

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 INTO THIS. I GUESS I SPOKE TO THAT MORE OF -- I
2 DON'T KNOW -- FEELING PERHAPS WHETHER OUR ROLE'S
3 DIRECT OR NOT, A SENSE THAT THIS IS
SOMETHING THAT

4 WE WANT TO SUPPORT. I GUESS THE -- IT'S NOT
THAT

5 I'M ASKING FOR A STAFF COMMITMENT OF
ADDITIONAL

6 TIME --

7 MR. CHANDLER: LET ME ADDRESS YOUR
POINT

8 BECAUSE I THINK IT'S RIGHT ON. CAREN SAID
LET ME

9 TAKE YOU BACK TO APRIL. LET ME TAKE YOU
BACK TO

10 THE LAST BOARD MEETING. I THINK WHAT YOU'RE
11 ASKING FOR IS WE NEED A BIT OF A -- THIS IS
12 OVERPHRASING IT, PERHAPS, BUT A BIT OF A
13 STRATEGIC PLAN WHERE YOU SEE THE PERFORMANCE
14 MEASURES --

15 MEMBER RELIS: EXACTLY.

16 MR. CHANDLER: -- CLEARLY LAID OUT,
WHAT

17 WE CAN EXPECT THIS CENTER TO ASSIST US IN.

18 WHILE CAREN'S CORRECT, WE DON'T HAVE A LOT

Please note: These transcripts are not individually reviewed and approved for accuracy.

OF THAT

19 WE'RE GOING TO IMMEDIATELY THROW AT
DEVELOPING A

20 HUGE STRATEGIC PLAN AND TIRES, I DO THINK
THAT

21 WHAT YOU'RE ASKING FOR IS THAT CITY STAFF
LEVEL

22 ALONG WITH MR. NICHOLSON COULD SIT DOWN AND
23 PROVIDE A LITTLE BIT MORE DEFINITION AS TO
WHAT

24 OUTCOMES OR WHAT PERFORMANCE MEASURES WE
WANTED TO

25 STRIVE FOR IN THE COMING MONTHS AS IT
RELATES TO

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 THE NUMBER OF AGREEMENTS.

2 YOU MENTIONED THE POTENTIAL 70

3 AGREEMENTS GIVEN THE BUDGETS, AND FROM THOSE

4 AGREEMENTS, HOW MANY TIRES WOULD BE USED OR HOW

5 MANY THAT WE THINK COULD ACTUALLY BRING IN A

6 TONNAGE WAY APPLICATION OF THIS MATERIAL, YOU

7 KNOW, TO BEAR. SO I THINK WHAT WE'RE LOOKING

FOR,

8 WHAT YOU'RE ASKING FOR, WE'RE STARTING TO SEE

THIS

9 COME TOGETHER, BUT WE NEED TO PUT A LITTLE BIT

10 MORE DEFINITION BEHIND THE PLAN WITH SOME

11 PERFORMANCE MEASURES IN THERE, AND I THINK THAT'S

12 WHAT -- WHEN WE TALKED ABOUT HAVING SOME PROGRAM

13 OR WASTESTREAMS ON DECK AS WE GO THROUGH THE

14 PLANNING PROCESS IN THE MODEL THAT WE'VE BEEN

15 TALKING ABOUT, THAT'S -- THAT'S THE ANALYSIS THAT

16 YOU'RE ASKING FOR.

17 YOU'D LIKE TO SEE HOW THIS -- THESE

18 FUTURE GOALS AND THE ALLOCATION OF FUTURE FUNDING

19 STARTS TO LAY OUT AND WHAT WE REALLY ARE GOING TO

20 GET FOR OUR DOLLAR IN THE FORM OF RUBBERIZED

21 ASPHALT ON THE GROUND APPLIED. AND I THINK

THAT'S

22 A ROLE THAT THE CENTER PROBABLY IS SEEING AS A

Please note: These transcripts are not individually reviewed and approved for accuracy.

23 LITTLE BIT BROADER AS MAYBE THEIR TECHNICAL
24 ASSISTANCE ROLE, BUT I THINK IN A COMBINATION
25 WITH STAFF HELP AND MR. NICHOLSON'S BACKGROUND,
WE

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 COULD PUT THAT DEFINITION TOGETHER WHERE -- I SEE
2 THE STAFF'S RECOMMENDATION IS TO COME BACK AT A
3 FUTURE TIME, MAYBE COME BACK AT A FUTURE TIME IN
4 CONJUNCTION WITH THE CONTRACTOR WHERE WE PUT A
5 LITTLE BIT MORE DEFINITION TOGETHER AS TO WHAT
6 ACTUALLY WE SEE AS OUTPUTS, OUTCOMES THAT WE WANT
7 TO -- THAT WE WANT TO STRIVE FOR IN THE COMING
8 MONTHS.

9 MEMBER RELIS: AND AS I UNDERSTAND IT,
10 THERE ISN'T THAT MUCH TIME BECAUSE WE'RE -- WE'RE
11 RIGHT UP AGAINST THIS OTHER ALLOCATION ISSUE.

12 CHAIRMAN JONES: RIGHT.

13 MEMBER RELIS: AND A SUGGESTION HAS BEEN
14 MADE ABOUT HOW TO USE THAT MONEY, BUT I DON'T HAVE
15 A COMFORT LEVEL YET THAT WE HAVE THAT TYPE OF
16 STRATEGIC DEVELOPMENT.

17 MR. NICHOLSON: RIGHT. COULD I SAY
18 SOMETHING? I PUT FORTH THE SUGGESTION OR THE
19 RECOMMENDATION TO PUT SOME UP-FRONT MONEY TO THE
20 CITIES FOR -- TO -- TO KIND OF FORCE THEM INTO
21 DOING THE STUDY TO MAKE SURE THAT RUBBERIZED
22 ASPHALT WAS FOR THEM.

23 I DON'T WANT TO PUSH THIS AND I
24 DON'T THINK YOU WANT TO PUSH THE PRODUCT IF IT
25 ISN'T GOING TO DO A GOOD JOB FOR THEM.

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 IT TAKES ABOUT SIX MONTHS TO GET A
2 PROJECT GOING. I MEAN THAT'S MINIMUM FOR MOST
3 CITIES AND COUNTIES BY THE TIME THEY BUDGET THE
4 MONEY FOR THE PROJECT, AND IT COULD BE LONGER, AND
5 I DON'T -- I'M NOT RECOMMENDING OR SUGGESTING THAT
6 YOU HAVE TO MAKE A DECISION RIGHT AWAY OR ANYTHING
7 LIKE THAT, BUT KEEP IN MIND THAT IF YOU DO LIKE
8 THE IDEA OF PROVIDING MONETARY ASSISTANCE TO DO
9 THIS UP-FRONT WORK, THAT IT WILL HAVE TO GET THE
10 WORD OUT TO THE CITIES, THEY WILL HAVE TO DEVELOP
11 PROJECTS WHICH CAN DO THAT, SO IT WOULD BE GOOD IF
12 WE COULD GET PROJECTS ON BOARD FOR NEXT SUMMER OR
13 THE SUMMER AFTER, YOU KNOW.

14 I DON'T IMAGINE THAT THERE'S --
15 WELL, THERE'S PROBABLY A LOT OF WORK HERE IN
16 NORTHERN CALIFORNIA, BUT NOT NEARLY AS MUCH AS WE
17 HAVE IN SOUTHERN CALIFORNIA. SO THERE IS -- IT'S
18 NOT A TIME PROBLEM, BUT I JUST WANTED TO MAKE YOU
19 AWARE THAT THERE IS AT LEAST A SIX-MONTH
20 PREPARATION TIME FOR PLANS, SPECIFICATIONS, AND
21 AWARD OF CONTRACTS. AND MY PROPOSAL WOULD NOT
22 INCREASE CAREN'S STAFF TIME AND THAT WE WOULD
23 DO -- THE CENTER WOULD DO THE EVALUATION OF THE
24 PROJECT AND RECOMMEND THAT THE BOARD ALLOCATE
25 MONEY TO THE CITY UPON AWARD OF THE PROJECT. IN

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 OTHER WORDS, THE RUBBERIZED ASPHALT IS A COST-
2 EFFECTIVE SOLUTION AND THEY ADVERTISE THE
PROJECT,

3 THEN THEY WOULD GET THE MONEY, AND THAT'S WHAT I
4 WAS THINKING.

5 NOW, RUBBERIZED ASPHALT MAY NOT BE
A

6 COST-EFFECTIVE SOLUTION. THAT'S A CHANCE YOU
HAVE

7 TO TAKE, BUT I'M SUGGESTING THAT THIS PROPOSAL
BE

8 ONLY USED FOR RURAL HIGHWAYS, MAJOR HIGHWAYS,
9 SECONDARY HIGHWAYS, AND HIGH VOLUME CONNECTORS,
10 NOT RESIDENTIAL STREETS BECAUSE RUBBERIZED
ASPHALT

11 IS REALLY NOT COST-EFFECTIVE FOR LOCAL STREETS.

12 MEMBER RELIS: CAN I ASK YOU A
TECHNICAL

13 QUESTION?

14 MR. NICHOLSON: YES.

15 MEMBER RELIS: I THOUGHT YOU SAID ON
THAT

16 LAST POINT THAT IF YOU USED A SLURRY SEAL ON
17 RESIDENTIAL STREETS EVERY FIVE YEARS, IF I
RECALL

18 CORRECTLY, THEN YOU WOULD HAVE SUSTAINED

Please note: These transcripts are not individually reviewed and approved for accuracy.

19 MAINTENANCE; IN OTHER WORDS, THOSE STREETS COULD
20 GO ON MORE OR LESS INDEFINITELY.

21 MR. NICHOLSON: THAT'S RIGHT.

22 MEMBER RELIS: DID I MISS SOMETHING,
23 THEN?

24 MR. NICHOLSON: NO. THE PROBLEM THAT I
25 FOUND WITH OUR OWN COUNTY AND OUR CITIES AND THE

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 OTHER CITIES IS THAT THEY -- WHEN MONEY GETS
TIGHT
2 ON THE BUDGET, THE FIRST THING TO GO IS THE
SLURRY
3 SEAL OR THE CHIP SEAL PROGRAM. YOU KNOW THAT
IT'S
4 FIVE YEARS SINCE YOU DID YOUR CHIP SEAL. YOU
KNOW
5 THAT YOU SHOULD BE DOING IT, BUT YOU JUST DON'T
6 HAVE THE MONEY AND YOU'VE GOT A STREET THAT'S
7 FALLING APART, SO YOU PUT THE MONEY THERE.
8 SO A LOT OF CITIES ARE IN -- IN
9 FACT, I HAVE A MEETING TOMORROW IN NIPOMO, WHICH
10 IS A CITY THAT HAS RESIDENTIAL STREETS THAT HE
11 WANTS ME TO GET RECOMMENDATION, AND I HAVE A
HUNCH
12 WHAT MY RECOMMENDATION IS GOING TO BE. HIS
13 STREETS ARE FALLING APART BECAUSE THEY HAVEN'T
14 DONE THE SLURRY.
15 NOW, THAT'S PART OF WHAT THE
CENTER
16 IS DOING IS RECOMMENDING THAT THEY DO PAVEMENT
17 MANAGEMENT ALSO. DO THE SLURRY SEAL EVERY FIVE
TO
18 SEVEN YEARS AND WE HAVE A RUBBER THAT'S WORKING
19 VERY WELL IN LOS ANGELES COUNTY, AND I THINK

Please note: These transcripts are not individually reviewed and approved for accuracy.

COULD

20 WORK WELL IN ALL PARTS OF THE STATE. THE
21 RUBBERIZED CHIP SEALS ARE A VERY COST-EFFECTIVE
22 WAY FOR CERTAIN SITUATIONS, AND THAT'S WHAT WE
23 WOULD HELP THEM ON, IS GIVE THEM SOME ADVICE AS
TO
24 WHERE CHIP SEALS OR SLURRY SEALS OR RUBBERIZED
25 RESURFACING CAN BE USED EFFECTIVELY.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 I MIGHT MENTION THAT I HAVE A REAL
2 CONCERN WITH DOING THE WORK FOR THEM BECAUSE OF
3 LIABILITIES. I DON'T THINK THAT L.A. COUNTY OR
4 THE BOARD WANTS TO GET INTO A POSITION WHERE IF
WE

5 RECOMMEND AND DO THE DESIGN FOR RUBBERIZED
ASPHALT

6 AND THERE'S A PROBLEM CAUSED BY SOMETHING ELSE,
7 THEY'RE GOING TO BLAME US AND YOU AND I DON'T
WANT
8 TO GET INTO THAT.

9 IN THE WORKBOOK, YOU MAY HAVE
10 NOTICED THAT I HAVE ADDRESSED THIS ISSUE AND
THAT

11 WE'RE PROVIDING INFORMATION WHICH IS A
COMPILATION

12 OF ALL OF OUR EXPERIENCES IN IT, BUT IT DOES NOT
13 GUARANTEE THAT A PARTICULAR PROJECT WILL BE
14 SUCCESSFUL. AND THAT'S WHY I'M STRESSING THE
JOB

15 INSPECTION AND THE PLANT INSPECTION AND THE
16 UP-FRONT ENGINEERING AND ALL OF THESE THINGS GOT
17 TO BE DONE.

18 THE REASON I HAVEN'T COME UP WITH
19 TIRE FIGURES AND DOLLAR FIGURES IS HOW MANY
20 ADDITIONAL TONS OF RUBBERIZED ASPHALT WE'RE

Please note: These transcripts are not individually reviewed and approved for accuracy.

GOING

21 TO USE WOULD BE GRABBING IT FROM THE SKY. WE'VE
22 GOT TO GET INTEREST AND GET THE BALL ROLLING.
23 ONCE IT GETS ROLLING, IT WON'T STOP, BUT IT'S
VERY
24 HARD TO DO A TWO MILLION TIRE FIGURE ON IT. WE
25 CAN DO THAT, BUT LIKE I SAY, IF WE GET 70

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 PROJECTS AT 5,000 TONS EACH IN THE STATE AS A
2 RESULT OF THIS PROGRAM, THAT'S 350,000 TONS OR A
3 MILLION TIRES. WE CAN SAY THAT, BUT THATD 70
4 PROJECTS IS BASED ON GETTING THE CITIES TO DO
5 WHATEVER THEY NEED TO DO TO MAKE SURE THAT THE
6 PRODUCT IS RIGHT FOR THEM. SO --

7 MEMBER PENNINGTON: MR. CHAIRMAN, I FEEL
8 LIKE WE'RE, YOU KNOW, BASICALLY MOVING IN THE
9 RIGHT DIRECTION AND THAT I THINK THAT THE REPORT
10 WE'VE GOT THIS MORNING GIVES US EVEN A LITTLE BIT
11 MORE INFORMATION THAN WE'VE HAD PRIOR TO THIS
12 MORNING, AND I THINK THAT THE RECOMMENDATION IS
13 NOT A BAD RECOMMENDATION. I MEAN, I DON'T HAVE A
14 PROBLEM WITH IT, BUT I WOULD LIKE TO HAVE THE
15 STAFF KIND OF REVIEW IT AND SEE IF THAT IS THE
16 RIGHT DIRECTION OR IF THERE IS ANOTHER
17 DIRECTION IN TERMS OF AN INCENTIVE TO GET THE
18 CITIES INVOLVED.

19 SO I WOULD ASK THAT THE STAFF LOOK
20 AT THIS RECOMMENDATION AND MAYBE SOME OTHERS IN
21 TERMS OF PAYING THE DIFFERENTIAL, WHICH WAS
22 SUGGESTED. MR. NICHOLSON SEEMS TO BELIEVE THAT
23 YOU'VE GOT TO DO THIS ENGINEERING WORK FIRST, AND
24 I DON'T DOUBT THAT HE'S PROBABLY CORRECT. SO WHAT
25 I WOULD -- I'LL MAKE A MOTION THAT WE PROCEED AND

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 ASK STAFF -- THAT WE ASK STAFF TO REVIEW THIS AND
2 BRING IT BACK TO THE COMMITTEE NEXT MONTH SO WE
3 DON'T GET BEHIND ON THE TIMELINE.

4 CHAIRMAN JONES: TO REVIEW MR.
5 NICHOLSON'S PROPOSAL.

6 MEMBER PENNINGTON: YES.

7 MS. TRGOVCICH: WHAT WE COULD DO IS WE
8 CAN TAKE MR. RELIS' AND MR. CHANDLER'S ISSUES THAT
9 THEY RAISED. WE COULD TRY TO PUT SOME PROJECTIONS
10 DOWN. I THINK LYNN MADE A VERY IMPORTANT POINT,
11 THAT AT THIS POINT IN TIME, IT'S GOING TO BE TOUGH
12 TO HOLD TO THOSE PROJECTIONS AND WE'RE GOING TO
13 LEARN AS WE GO, BUT THEY'RE A STARTING POINT AND
14 THEY'RE SOMETHING TO WORK WITH, SO WE WILL ASK THE
15 COUNTY TO PREPARE THAT INFORMATION. WE WILL
16 PROPOSE TO COME BACK IN THE FEBRUARY TIMELINE TO
17 BRING THIS ITEM BACK TO YOU, TO THIS COMMITTEE,
18 AND HOPEFULLY TO THE BOARD FOR CONSIDERATION.

19 MEMBER PENNINGTON: YOU MIGHT BRING IT
20 BACK IN FEBRUARY, YOU SAY?

21 MS. TRGOVCICH: I WOULD PROPOSE FEBRUARY.
22 I THINK FROM THE PERSPECTIVE OF THE HOLIDAYS, OUR
23 STAFF AND THE COUNTY STAFF, THE JANUARY ITEM IS
24 DUE NEXT WEEK.

25 MEMBER PENNINGTON: THAT'S TRUE.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 CHAIRMAN JONES: I AGREE WITH YOUR
2 MOTION. I JUST -- I WANT TO ASK IF WE CAN ADD TO
3 IT A LITTLE BIT. I THINK THAT -- THAT PART OF THE
4 PROPOSAL AND I THINK PART OF THE COMFORT LEVEL
5 WOULD BE THAT IF WE HAD A WORK PLAN AS PART OF
6 THAT SO THAT -- I THINK THE 70 PROJECTS NEED TO BE
7 GOALS, AND I'M A FIRM BELIEVER IN MANDATES, BUT I
8 THINK THAT THIS ONE IS A GOAL AND WE NEED TO HAVE
9 A -- A WORK PLAN ON -- SO WE CAN -- SO WE CAN
10 MEASURE SUCCESS BY, YOU KNOW, HOW MANY PEOPLE HAVE
11 TAKEN ADVANTAGE OF THE INSPECTION, AND I -- I
12 THINK IT'S HONEST AND FAIR TO SAY, YOU KNOW, YOU
13 SPEND THE FIVE GRAND ON THE INSPECTION AND THIS IS
14 NOT GOING TO WORK FOR YOU, I THINK THAT'S GOOD
15 GOVERNMENT.

16 I THINK THAT'S A SERVICE WE HAVE TO
17 PROVIDE, AND IF IT -- BUT I HOPE THAT YOUR
18 EXPERIENCE LETS YOU LOOK AT SOMETHING, NO, I DON'T
19 THINK WE'RE SPENDING THE FIVE GRAND ON THIS ONE
20 BECAUSE IT'S DOOMED FROM THE BEGINNING AND I'M
21 SURE THAT'S WHERE YOU WOULD BE COMING FROM, BUT I
22 THINK THAT MAKES A LOT OF SENSE. AND THEN WE CAN
23 MEASURE IT ON -- YOU KNOW, WE'VE DONE THIS
24 PRELIMINARY WORK. THESE THINGS ARE IN MOTION
25 BECAUSE IT'S OUT OF OUR HANDS. IF THAT CITY

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 COUNCIL OR BOARD OF SUPERVISORS SAYS, WE DON'T
2 HAVE THE DOLLARS TO DO THIS, WE'RE GOING TO PUT IT
3 OFF FOR TWO YEARS, THAT'S NOTHING WE CAN CONTROL.

4 I MEAN, THAT'S -- BUT I THINK THE
5 MORE INFORMATION YOU GIVE AND THE MORE MATH THAT
6 IS DONE SO THAT THEY CAN SEE A REAL SAVINGS HERE
7 IS A BENEFIT, AND THAT'S HOW WE MOVE IT BECAUSE
8 ANY TIME WE CAN TAKE A RECYCLED PRODUCT AND SHOW
9 VALUE, SHOW MORE VALUE, THEN IT STANDS ON ITS OWN
10 AND THAT -- THAT BECOMES A REAL BENEFIT. AND I
11 THINK THAT HELPS FOSTER WHAT WE ALL ARE TRYING TO
12 DO HERE. IF YOU WOULD ACCEPT THAT ADDITION TO THE
13 WORK PLAN AND THE GOALS --

14 MEMBER PENNINGTON: SURE.

15 CHAIRMAN JONES: -- I'D LOVE TO SECOND
16 YOUR MOTION.

17 MEMBER PENNINGTON: ALL RIGHT.

18 CHAIRMAN JONES: ANY COMMENTS OR
19 QUESTIONS?

20 MEMBER RELIS: NO. IF SOMEHOW YOU CAN
21 CAPTURE IN YOUR DISCUSSIONS WITH LYNN, I CAN SEE
22 YOU SEE REAL CLEARLY HOW THIS THING IS GOING TO
23 SNOWBALL. YOU USED THE TERM "SNOWBALL," AND I
24 THINK THAT'S WHAT WE WANT TO SEE. WE WANT TO SEE
25 IT SNOWBALL. SO YOU'RE SAYING 70 PROJECTS MIGHT

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 BE -- YOU KNOW, THERE MIGHT BE SOME CRITICAL
2 NUMBER. ONCE THIS GETS OUT AND ENOUGH ENGINEERS
3 AND CITY PEOPLE, COUNTY PEOPLE HAVE EXPERIENCE
4 WITH THIS, THIS WILL BECOME A MORE REGULAR WAY OF
5 DOING BUSINESS.

6 MR. NICHOLSON: SEVENTY PROJECTS WOULD BE
7 BASICALLY 350,000 DIVIDED BY FIVE.

8 MEMBER RELIS: OKAY. HOWEVER --

9 CHAIRMAN JONES: THAT'S MATH.

10 MEMBER RELIS: BUT I LIKE WHERE WE'RE
11 GOING WITH THIS.

12 CHAIRMAN JONES: GOVERNMENTAL MATH.
13 WITH THAT, WE HAVE A MOTION AND A SECOND.
14 JEANNINE, WOULD YOU LIKE TO CALL THE ROLL, PLEASE?

15 THE SECRETARY: BOARD MEMBER RELIS?

16 MEMBER RELIS: AYE.

17 THE SECRETARY: MEMBER PENNINGTON?

18 MEMBER PENNINGTON: AYE.

19 THE SECRETARY: CHAIRMAN JONES?

20 CHAIRMAN JONES: AYE.

21 JUST ONE BRIEF COMMENT ON THIS. WE
22 NEVER GOT A LETTER, WE NEVER GOT ANY PHONE CALL OR
23 ANYTHING, BUT THERE HAS BEEN A DISCUSSION ON --
24 FROM THE RPA FOLKS THAT CALTRANS IS LOOKING AT A
25 PROPOSED MIX THAT IS --

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 MS. TRGOVCICH: MODIFIED BINDER
2 SPECIFICATIONS.

3 CHAIRMAN JONES: MODIFIED BINDER
4 SPECIFICATIONS WHERE IT DOESN'T HAVE TO
5 NECESSARILY BE CRUMB-RUBBER, AND I THINK WE HAVE
6 TO BE AWARE OF THAT BECAUSE THERE -- THESE ARE
NOT
7 PROPOSED -- THESE ARE -- THEY'RE PROPOSED SPECS,
8 RIGHT? THEY'RE OUT WAITING COMMENT AND THINGS
9 LIKE THAT, BUT I THINK IT'S CRITICAL THAT WE
NEED
10 TO BE AWARE OF THAT, AND I THINK THAT THEY ARE
11 CHANGING THE MESH SPEC AS PART OF THIS TO AN AID
12 MESH.

13 MS. TRGOVCICH: I DON'T BELIEVE THEY'RE
14 CHANGING THE SPEC. I BELIEVE THE CONCERN THAT
RPA
15 HAS PROPOSED IS THE MORE GENERIC SPEC AND A
16 VARIETY OF POLYMERS TO BE USED AS BINDERS WOULD
17 PROVIDE FOR DIFFERENT SPECIFICATIONS, DIFFERENT
18 TYPES OF MATERIAL, SOME OF WHICH MAY NOT
CURRENTLY
19 BE AVAILABLE HERE IN CALIFORNIA, AND I BELIEVE
20 THAT'S THE CONCERN THEY'RE RAISING.

21 MEMBER RELIS: IS THIS MORE CONDUCTIVE
TO

Please note: These transcripts are not individually reviewed and approved for accuracy.

22 THE USE OF RUBBERIZED ASPHALT OR NOT OR --
23 MS. TRGOVCICH: I DON'T KNOW.
24 MEMBER RELIS: -- IT CREATES MORE
25 FLEXIBILITY?

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 MS. TRGOVCICH: IT CREATES MORE
2 FLEXIBILITY IS WHAT IT DOES AND I DON'T KNOW.
3 THEY MAY HAVE MORE INFORMATION, BUT THEY'VE GONE
4 FROM A RECIPE SPECIFICATION, WHICH I BELIEVE IS
5 FOCUSED ON RUBBER TO A MORE GENERIC SPEC.

6 MEMBER RELIS: I SEE.

7 MS. TRGOVCICH: I DON'T KNOW.

8 MR. GAUFF: IF YOU WANT TO ELABORATE,
9 BASICALLY WHAT WE'RE LOOKING AT IS WHAT THEY CALL
10 PERFORMANCE BASED SPECS, AND THAT DOESN'T PRECLUDE
11 THE USE OF RUBBER, PER SE, BUT IT'S GOING TO OPEN
12 IT UP FOR A WHOLE LOT OF DIFFERENT TYPES OF
13 MODIFIERS AND THE BINDERS, WHICH MAY NOT BE TIRE
14 RUBBER.

15 MS. GILDART: TENNIS BALLS.

16 MEMBER PENNINGTON: RUBBER HOSES.

17 CHAIRMAN JONES: ANYWAY, I THINK WE NEED
18 TO BE AWARE OF THAT. I THINK YOU GUYS NEED TO
19 KEEP US AWARE BECAUSE THAT'S NOT AS THE BEST. I
20 MEAN, WE'LL SEE. ALL RIGHT. THANK YOU VERY MUCH,
21 FOLKS. I THINK FROM THE SAME CREW, WE HAVE OUR
22 THIRD AGENDA ITEM, WHICH IS STATUS ON THE PUBLIC
23 UTILITIES COMMISSION DEREGULATION, AB-1890 OF THE
24 ELECTRIC UTILITY. THIS IS AN ORAL PRESENTATION.

25 MR. JOHNSON: THANK YOU, MEMBERS OF THE

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 COMMITTEE. THIS IS A -- I SHOULD APOLOGIZE TO THE
2 PEOPLE IN THE AUDIENCE. THE WRITE-UP DOESN'T
3 EASILY TRANSLATE TO THE TELEVISION SCREEN, SO
4 PLEASE BEAR WITH US.

5 THIS IS AN UPDATE OF OUR -- A
6 FOLLOW-UP UPDATE FROM THE SERIES THAT WAS
7 PRESENTED THIS SUMMER WHEN WE LAST MET IN
8 SEPTEMBER. THERE WAS SORT OF THREE MAJOR
9 OUTSTANDING ISSUES WITH RESPECT TO RESTRUCTURING.
10 ONE WAS WHEN THE RESTRUCTURED MARKET CAME INTO
11 BEING; SECONDLY, THE ISSUE OF THE ELECTRIC SERVICE
12 PROVIDERS BECAUSE THEY HAD JUST BEGUN REGISTERING,
13 AND THEN FINALLY THE QF CONTRACT BUYOUT ISSUE.

14 AS I SAID BEFORE, THE PURPOSE OF
15 RESTRUCTURING WAS TO -- WAS BASICALLY TO REDUCE
16 THE AVERAGE RETAIL PRICE IN CALIFORNIA FROM A
17 PRICE THAT WAS SIGNIFICANTLY ABOVE THE NATIONAL
18 AVERAGE DOWN MORE TOWARDS THE NATIONAL AVERAGE AND
19 TO ALLOW COMPETITION BOTH AT THE GENERATION LEVEL
20 AND AT THE LEVEL OF PROVIDING SERVICE TO THE
21 RETAIL CUSTOMERS AND MAYBE DIFFERENT SERVICES.
22 THIS REQUIRED BREAKING UP THE TRADITIONAL VERTICAL
23 MONOPOLIES OF THE UTILITIES AND CREATING TWO
24 ENTITIES, THE INDEPENDENT SYSTEM OPERATOR TO RUN
25 THE EXISTING TRANSMISSION SYSTEMS AND THE POWER

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 EXCHANGE THAT WILL RUN THE GENERATION MARKET POOL.
2 THOSE TWO ENTITIES, THE ISO AND THE POWER
3 EXCHANGE, JUST RECENTLY ON OCTOBER 30TH RECEIVED
4 AN APPROVAL FROM THE FEDERAL ENERGY REGULATORY
5 COMMISSION TO BEGIN OPERATION ON JANUARY 1. FERC
6 ISSUED A -- I DESCRIBE IT AS A CONDITIONAL LICENSE
7 FOR THOSE ENTITIES TO BEGIN, AND WE'LL CONSIDER A
8 FINAL APPROVAL SOMETIME IN THE YEAR 2000.

9 THE ISO HAS BEGUN ACTUALLY TESTING
10 RUNNING THE TRANSMISSION SYSTEMS ON -- ON FIRST
11 CONDITION, SO BY JANUARY WHEN THEY TAKE OVER,
12 THEY'LL HAVE SOME GLITCHES IRONED OUT.

13 THE -- AS I SAY, ONE OF THE OTHER
14 MAJOR ISSUES WAS THE ELECTRIC SERVICE PROVIDERS
15 THE -- WHO ARE THESE PARTIES WHO WILL PROVIDE
16 SERVICES TO RETAIL CUSTOMERS. THEY WERE -- AB
17 1890 ALLOWED THEM TO START REGISTERING WITH THE
18 PUBLIC UTILITIES COMMISSION ON JULY 1 AND TO
19 ACTUALLY START MARKETING THEIR SERVICES ON
20 NOVEMBER 1 OF THIS YEAR. AS OF LAST WEEK, THERE
21 WERE A LITTLE OVER 200 ENTITIES WHO HAD -- WHO HAD
22 PAID AND RECEIVED A CERTIFICATION FROM THE PUBLIC
23 UTILITIES COMMISSION, AND THEY RUN THE GAMUT FROM
24 SUBSIDIARIES OF MAJOR ELECTRIC UTILITIES, BOTH IN
25 CALIFORNIA AND ELSEWHERE.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 AN EXAMPLE, SOUTHERN CALIFORNIA DUKE
2 COMPANY, SOUTHERN CAL EDISON HAS SEVERAL
3 SUBSIDIARIES WHO WILL MARKET THEIR SERVICES IN
4 PG&E'S TERRITORY AND PG&E HAS A SUBSIDIARY THAT
5 WILL INVADE EDISON'S TERRITORY, PLUS OTHERS WHO
6 ARE LOOKING AT VERY NICHE MARKETS, MAYBE
7 CHURCHES OR PEOPLE IN THE GOLF COURSE, A NUMBER OF
8 WATER DISTRICTS HAVE REGISTERED, THE CITY OF LONG
9 BEACH IN PROVIDING SERVICE TO RESIDENTIAL
10 CUSTOMERS, AND SOME OF THE BIG ONES SUCH AS ENRON
11 WHO HAVE SEVERAL SUBSIDIARIES THAT ARE REGISTERED
12 TO PROVIDE A VARIETY OF SERVICES, AND THEN THEY --
13 ABOUT A DOZEN OF THE, QUOTE, GREENERS, PROBABLY
14 MOST NOTABLY GREEN MARKET OUT OF VERMONT IS DOING
15 SOME VERY IMPRESSIVE MARKETING OF RENEWABLES.

16 THE -- NOW, WHERE DID THESE SERVICE
17 PROVIDERS GET POWER? THEY HAVE ESSENTIALLY FOUR
18 OPTIONS, ONE OF WHICH IS TO BUY FROM THE POWER
19 EXCHANGE, WHICH IS GOING TO BE THE MAJOR
SOURCE OF
20 POWER FOR AT LEAST THE FIRST COUPLE YEARS OF
THE
21 TRANSITION PERIOD. THEY COULD BUY IT FROM
22 OUT-OF-STATE UTILITIES, WHICH IS WHERE A
NUMBER OF

Please note: These transcripts are not individually reviewed and approved for accuracy.

23 THEM ARE LOOKING AT THAT, PARTICULARLY SOME
OF THE

24 RENEWABLES BECAUSE OF -- MOST OF THE

CALIFORNIA

25 BASED RENEWABLES ARE STILL UNDER CONTRACT
WITH THE

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 UTILITIES.

2 THE SERVICE PROVIDERS COULD RUN
3 THEIR OWN PLANTS. ONE OF THE REQUIREMENTS OF
4 RESTRUCTURING IS THAT THE REGULATED UTILITIES
5 DIVEST THEMSELVES OF A NUMBER OF THEIR EXISTING
6 FOSSIL FUEL PLANTS TO REDUCE THEIR DOMINANT SHARE
7 OF THE INDUSTRY, AND THEN THE FINAL -- AN AREA
8 THAT WAS SOMEWHAT NEAR AND DEAR TO OUR HEART, THE
9 QUALIFYING FACILITIES WHO ARE NO LONGER -- WHO ARE
10 NO LONGER UNDER A UTILITY CONTRACT WOULD ALSO BE A
11 SUPPLIER, WHICH LEADS NOW TO THE MAJOR ISSUE THAT
12 WAS OUTSTANDING, AND THAT'S THE ISSUE OF
13 QUALIFYING FACILITY BUYOUTS RESTRUCTURING.

14 WHEN I WAS HERE IN THE SUMMER, YOU
15 EXPRESSED SOME REAL CONCERN ABOUT WHAT LOOKED LIKE
16 A RUSH TO JUDGMENT AT THAT TIME ON THE COMMISSION
17 FEELING IT WAS -- BECAUSE IT WAS ONE OF THOSE
18 ISSUES THAT HAD LAID OUT THAT IT NEEDED TO ADDRESS
19 PRIOR TO BEGINNING OF RESTRUCTURING, AND NOTHING
20 HAD PARTICULARLY HAPPENED. THERE SEEMED TO BE A
21 SENSE OF URGENCY THIS SUMMER TO REACH SOME
22 RESOLUTION, PLUS A COUPLE OF THE MAJOR PROVIDERS
23 WERE SAYING YOU, THE COMMISSION, HAVE TO DO
24 SOMETHING TO RESOLVE THIS. THE UTILITIES WERE
25 SAYING WE HAVE \$20 BILLION WORTH OF THESE

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 CONTRACTS THAT STRETCH OUT TO THE YEAR 2025, 2025,
2 AND THIS WAS GOING TO CREATE A -- MAKE A PROBLEM
3 FOR US BEING COMPETITIVE IN THE MARKETPLACE.

4 THE -- COMMISSIONER NEPPER ABOUT A
5 MONTH AGO HELD A MEETING WITH THE UTILITIES, THE
6 COMMISSION STAFF, AND SOME OF THE LARGE OIL AND
7 GAS CO-GENERATORS AND -- ON WHAT RESOLUTION COULD
8 BE REACHED WITH THE PARTIES. AND THE RESULTS OF
9 THAT MEETING WERE THE PARTIES WERE SO FAR APART
10 THAT NO RESOLUTION SEEMED TO BE IMMEDIATELY
11 PRESSING AND THE COMMISSION SUPPOSEDLY, ALTHOUGH

I

12 GUESS THEY WOULDN'T SAY THAT, HAS SORT OF PUSHED
13 THIS ISSUE TO THE BACK BURNER, WHICH STILL
LEAVES

14 US WITH A QUESTION OF WHAT DO WE DO WITH THE 30
OR

15 SO BIOMASS PLANTS, THE WASTE-TO-ENERGY PLANTS
AND

16 A HALF A DOZEN GAS RECOVERY AND OTHER QF'S IN
THIS

17 RENEWABLE GROUP WHO EITHER HAVE FALLEN OFF THE
18 INTERIM STANDARD FOR FIXED PRICE PERIOD INTO
SHORT

19 RUN AVOIDED COST, WHICH HAS SORT OF BLOWN COST

Please note: These transcripts are not individually reviewed and approved for accuracy.

OF

20 REDUCING POWER OR SOON -- SOON TO REACH THAT

21 CLIFF.

22 THE ENERGY COMMISSION'S RENEWABLES

23 FUND PICKS UP SOME OF THAT DIFFERENTIAL, BUT

24 DOESN'T RESOLVE ALL OF THOSE PROBLEMS, BUT WHILE

25 IT'S STILL UNDER CONTRACT, THEY CANNOT GO WITH

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 MARKET TO -- THEIR SERVICES TO THE ELECTRIC
2 SERVICE PROVIDERS WHO ARE OUT SIGNING UP RETAIL
3 CUSTOMERS SOMETIMES AT A PREMIUM TO BUY CERTAIN
4 TYPES OF POWER.

5 THE -- I GUESS ONE OTHER ISSUE I'D
6 LIKE TO TOUCH ON IS THE -- IN AB-1890, CAL-EPA WAS
7 ASKED TO LOOK AT SOME LONG-TERM STRATEGIES FOR A
8 SHIFT OF THE COST OF THE BIOMASS POWER INDUSTRY TO
9 THE ELECTRIC RATEPAYER OF THE OLD SYSTEM TO OTHER
10 CLASSES OF BENEFICIARIES. THAT REPORT WAS DONE
11 AND SUBMITTED TO THE LEGISLATURE IN THE SPRING AND
12 SORT OF NOTHING HAS HAPPENED. THE BIOMASS POWER
13 INDUSTRY RIGHT NOW, THERE WERE THREE BILLS THAT
14 WERE INTRODUCED, ALL OF WHICH DID NOT GET THROUGH
15 THE LEGISLATIVE SESSION.

16 ONE OF THEM, AB-1513, ACTUALLY DID
17 PASS THE ASSEMBLY, BUT DIED, WHICH SHOULD HAVE
18 BEEN IN THE SENATE, WITH CONCERNS OVER TAX -- THE
19 WHOLE ISSUE OF TAX CREDITS LAST YEAR. THE
20 INDUSTRY RIGHT NOW IS LOOKING AT SOME OPTIONS
21 OF EITHER PUSHING THOSE BILLS OR SOME OTHER
22 SOLUTIONS THAT MAY HAVE BEEN DISCUSSED IN THE
23 CAL-EPA REPORT ARE SOME THAT MAY NOT HAVE EVEN
24 BEEN THOUGHT OF OR DISCUSSED THERE AND MAY ASK
25 OUR -- ASK THE BOARD FOR SOME SUPPORT ON ANY --

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 SOME LEGISLATIVE STRATEGY THAT WE MAY DEVELOP AT
2 SOME LATER POINT. ARE THERE ANY QUESTIONS?

3 MEMBER RELIS: SOUNDS PRETTY INDEFINITE.
4 I DON'T KNOW.

5 MS. GILDART: I THINK WE'RE GOING TO SEE
6 SOME ACTION AFTER JANUARY 1ST. AS NEAL DESCRIBED,
7 THERE'S A SERIES OF THINGS THAT HAVE TO COME
8 TOGETHER. THE ELECTRIC SERVICE PROVIDERS ARE
9 BUYING UP SOME CONTRACTS SO THAT THEY CAN, AND
10 THEY'LL BE IN OPERATION JANUARY 1ST, BUT YOU'VE
11 GOT A WHOLE VARIETY OF DATES ON EXISTING CONTRACTS
12 THAT MAY INTERFERE WITH THAT, AND THEN THERE'S THE
13 MONIES PROVIDED BY THE ENERGY COMMISSION THAT HAVE
14 BEEN FEEDING INTO SOME OF THE RENEWABLES. SO NO
15 ONE'S QUITE SURE WHO'S GOING TO BE RECEIVING WHAT
16 KIND OF FUNDING IN THE NEAR FUTURE.

17 MEMBER RELIS: ALSO YOU PASSED OUT THIS
18 BROCHURE, AND IT SPEAKS TO A COMPANY THAT WOULD BE
19 MARKETING SOME BIOMASS ENERGY, AND I ASSUME ONE OF
20 THE FACTORS WILL BE HOW MANY PEOPLE END UP
21 SUBSCRIBING TO A FUEL MIX THAT WOULD INCLUDE
22 BIOMASS. THAT'S AN IMPONDERABLE AT THIS POINT, I
23 GUESS.

24 MR. JOHNSON: I THINK -- AS I SAID, THERE
25 WERE OVER 200 PROVIDERS HAVE SIGNED UP AND CAN

Please note: These transcripts are not individually reviewed and approved for accuracy.

Please note: These transcripts are not individually reviewed and approved for accuracy.

1 MARKET THEIR SERVICES, BUT THERE'S ONLY, WHAT, 20
2 OR SO THAT ARE REALLY RIGHT NOW ACTIVELY OUT
3 THERE. A LOT OF THEM ARE SORT OF LOOKING AT HOW
4 WELL SOME OF THE OTHERS DO AND, YOU KNOW --

5 MEMBER RELIS: DAN, THIS IS YOUR CHANCE.
6 I KNOW YOU LOVE WINDMILLS SO MUCH, SO THERE'S MORE
7 WINDMILLS FOR YOU. YOU MIGHT WANT TO SUBSCRIBE.

8 MEMBER PENNINGTON: YES. I'M SURE
9 THAT -- I'M SURE THAT I WOULD BE MORE THAN HAPPY.
10 I NOTICE THE FRONT -- INSIDE THE FRONT COVER HERE
11 ARE ALL THESE WINDMILLS.

12 CHAIRMAN JONES: WHAT THEY DON'T MARKET
13 THERE IS LANDFILL GENERATED GAS.

14 MEMBER PENNINGTON: THE REAL ENERGY.

CHAIRMAN JONES: ALL RIGHT. ANY OTHER
QUESTIONS OR COMMENTS? THANK YOU, NEAL. THANK
YOU, MARTHA.

OPEN DISCUSSION? NOBODY. GEEZ.
THIS MEETING IS ADJOURNED. THANK YOU.

(THE HEARING CONCLUDED AT 11:05

A.M.)

use note: These transcripts are not individually reviewed and approved for accuracy.

use note: These transcripts are not individually reviewed and approved for accuracy.